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SECOND ANNUAL PROGRESS REPORT

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PROPOSAL FOR FUNDING

for

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THE URBAN HOMESTEADING ASSISTANCE BOARD

January 1976

Sponsored by

The Cathedral of St. John the Divine

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U-HAB URBAN HOMESTEADING ASSISTANCE BOARD

CATHEDRAL HOUSE, 1047 AMSTERDAM AVE. NEW YORK, N.Y. 10025. (212) 6786911

January, 1976

Dear Friends:

Can urban homesteading survive the City's fiscal crisis?... Is it possible to continue the growth of Sweat Equity rehab in light of the City's budget freeze?... What will U-HAB do now?

These questions are continuously asked of us in the wake of New York's financial collapse. The answer is clear: now, more than ever, individual and community self-help efforts must fill the void left by the dozens of defunct official programs.

In housing, this stark reality has been true for many years. The many low-income families who might once have awaited housing action by their landlords or the City, State or Federal governments now realize that the only viable alternative left to save their homes, blocks and communities will be their own initiative, determination and sweat. It is working.

Now, throughout the City, families are working with local neighborhood housing groups, block associations and their fellow tenants in organizing other community residents and responding to neighborhood needs. They have stepped into the vacuum of housing inaction and taken matters into their own hands by converting the once useless and dangerous hulks of the many abandoned tenements which litter our streets into safe, decent, low-cost homes.

Similarly, U-HAB is no newcomer to self-help housing. Now in our third year, we continue to offer free technical assistance to those who are willing to restore, occupy, or manage abandoned buildings. The work continues, despite the fiscal crisis, although more slowly and with more difficulty. U-HAB is attempting to counter these difficulties in three specific ways:

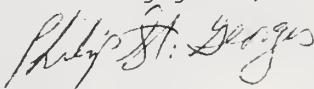
- 1) Clearing the Pipeline-- We are doing everything possible to assure that community groups which have planned and worked many months (sometimes years) to begin urban homesteading

projects will get their chance. This means our tracking down and following up the countless commitments and promises to buildings in the "pipeline" which must now be kept. It also means finding new sources of mortgage and construction money. We have opened negotiations with both the Federal government and with private sources in an attempt to fill the vacuum.

- 2) Accommodating New Homesteaders-- We are attempting to bring in to the program new groups of families who are ready to build and who want to work. This process involves advising them of the extra difficulties that they will now encounter. Nonetheless, many families still wish to continue, and to pursue their dream of better housing which they can build and own-- free from the frustration of groping with an invisible or absentee landlord. Our finding new sources of mortgage money is central to this task. Without it, we have empty-handed self-helpers-- people anxious to improve their homes and their city-- but with no tools and no materials.
- 3) As-Is Sales-- A logical extension of the urban homesteading process involves buildings which have been abandoned by their owners, but not their residents. The City manages and maintains more than 15,000 such units at substantial burden and cost. In many cases the residents of these buildings want to become homesteaders but do not wish to move. As-Is Sales involve the tenants' purchasing their building from the City and managing, maintaining, and improving it slowly over time. The end product is exactly the same as homesteading: the families gain a safe, decent and affordable home of their own; the City gains a reduction in liability and administrative cost, eventual elimination of community blight, a positive stimulant to neighborhood, and an eventual return of the property to the tax roles. Money flows in to the City, not out.

All of these things are possible and practical, even with the City's dire financial plight. They are happening every day. Our role at U-HAB is to add that crucial amount of technical assistance so that groups of willing but inexperienced people can work together effectively and safely to develop their own housing. We hope that you will look through this report and perhaps visit us so that we might discuss and show you the results of this work. We welcome your comments or any assistance you might offer.

Sincerely yours,



Philip St. Georges
Director



Ian Donald Terner
Chairman



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The Urban Homesteading story in New York City is not the story of brick and mortar. It is the story of people working to improve and control their lives and their homes. At left, adult members of the People's Development

 *Corporation, at 1186 Washington Avenue, The Bronx, pause to explain their work to the children of the building.*

executive summary...

U-HAB is a non-profit housing service which assists low-income New Yorkers with the self-help rehabilitation of abandoned buildings. Its goal is to enable modern-day homesteaders (people who agree to own, occupy, renovate, and manage presently abandoned buildings) to return these dwellings to the City's decimated stock of decent low-cost housing. U-HAB does not provide handouts; but it does offer technical assistance to self-helpers willing to salvage and restore abandoned buildings, and to give them new life.

U-HAB focuses on the City's more than 150,000 abandoned dwellings (in over 10,000 buildings), a number which grows daily at a rate of over a thousand buildings a year. No end is in sight. Abandonment is increasing more rapidly than ever during this period of national recession and spiraling fuel and maintenance costs.

The participants in the homesteading program are often the City's most oppressed-- struggling to maintain lives, jobs, and families in the worst buildings and neighborhoods in the City. Homesteaders are rarely enthusiastic about renovating a building; they are driven to it, and the year of hard, often discouraging work by an absolute lack of alternatives. There is nowhere else to go; no one else who will help but they themselves. For some participants, homesteading is also a way to prove to themselves and to the world that irregular, self-initiated housing alternatives can work, and that the struggle for decent home and a stable neighborhood must continue.

Collaborating with the City agencies and local neighborhood housing groups, U-HAB attempts to strengthen grass roots homesteading efforts by offering access to trained construction supervisors, architects, cost estimators, lawyers, accountants, tradesmen, expeditors, purchasers, and others who can make the difference between an inexperienced but willing group of amateurs, and an effective self-help construction and management team. U-HAB's activities build on New York's Sweat Equity Program, which enables the City to make low interest mortgages available to homesteaders. Through this program, the fundamental economics of abandonment are attacked in seven ways:

1. Long-term, below market mortgages (approx. 25 years @ 7-8%)
2. Self-help construction savings ranging from 20-40%
3. Ten-year tax abatements
4. Zero (or token) purchase prices for the abandoned property
5. Self-help management and maintenance
6. Cooperative ownership eliminating overhead and profit factors
7. Supplemental job-training funds (in some projects)

Thus, buildings which have passed the stage of being lucrative investments and income properties can still become viable and stable non-profit residences. The result of such a composite financial package yields between \$7-12,000 worth of construction materials and contract labor for gut rehabilitation (financed by the low-interest mortgage) and approximately \$750 worth of technical assistance (funded by contributions to U-HAB for staff). All remaining costs are absorbed by the inputs of self-help labor, yielding carrying charges to the co-op homestead owners ranging from \$80-180 per month. Comparable commercial costs for gut rehabilitation currently run at well over \$25,000 per unit, and new construction at over \$40,000. Adequate subsidies simply do not exist to align these extremely high costs with the incomes of the poor.

Homesteading is categorically the lowest cost way to add an additional dwelling unit to the City's housing stock. Key to the Homesteading/Sweat Equity concept is that it has not required a single cent of public subsidy. All money borrowed by the Homesteaders is being returned to the City at a slightly greater interest than the City's own borrowing rate. Even the tax abatements represent no loss, since abandoned buildings pay no taxes to begin with. Indeed, sometimes the City reaps a windfall profit, as when a homestead building is pulled from the demolition pipeline, saving the City an immediate \$6,000 or more in wreckers' costs.

To date, U-HAB has provided assistance to over 60 buildings, of which nearly 50 are now active Homesteading projects. These buildings total over 600 individual apartments, enough housing for nearly 2,000 people. U-HAB helped to package and process more than \$3.7 million in homesteading loans through the City's "Sweat Equity" portion of its Municipal Loan Program. In addition, U-HAB helped to generate \$1.3 million in Federal job-training funds, so that some of the homesteaders are paid stipends while learning construction skills as they salvage and renovate abandoned buildings for their own homes.

U-HAB's immediate objectives include assuring that all homestead buildings move expeditiously through feasibility and start-up stages on to loan closing, construction and occupancy-- without the many delays which have become common in New York since the City's near-default. Top priorities also include expanding available mortgage money for homesteaders through Participation Loans-- with Federal, City and private sector collaboration. Also U-HAB is working to enable New Homestead families to begin the process, not only in vacant and abandoned buildings, but also in owner-abandoned buildings which have been reluctantly taken over by the City with some families still in occupancy. A new As-Is Sales program will enable the residents of such buildings to purchase them from the City at a token price, and to repair, manage, and maintain them as homestead co-ops, and ultimately return them to the City's tax roles.

U-HAB's longer-term goal is to assist as many homestead families as possible, in order to catapult the program out of the realm of a token-scale "fringe" activity, and into the category of a routine and priority part of the housing process and policy of New York City.

progress to date...

THE NEW YORK TIMES, MONDAY, JUNE 9, 1975

Urban Homesteading

After a brisk but limited beginning, the urban homesteading program is falling victim to the common American attitude of excessive expectations and instant cynicism. Actually less a program than an *ad hoc* effort to rehabilitate abandoned housing stock by selling buildings for token sums to those who will restore and live in them, this pioneering experiment is now undergoing all the pains common to bootstrap renewal...

But well-managed group programs on a community scale, such as U-Hab by New York's Cathedral Church of St. John the Divine, are working. This kind of rehabilitation is not limited to middle-class neighborhood stabilization; it is a way for the less privileged to find homes in strengthened communities.

Urban homesteading is a long, slow, hard route to salvation, but its soundness is indisputable in terms of appalling abandonment figures and deteriorating urban environment. The preservation of existing houses and neighborhoods is the first line of defense in the cities' battles to survive.

The New York Times editorial above takes sober stock of the Urban Homesteading Movement more than a year after an optimistic and much-heralded introduction.

The echoes of earlier enthusiasm (Boston's Mayor then called it "the sexiest political idea of the year") have given way to the "instant cynics" who have noticed that thus far homesteading has failed to solve the nation's problems of urban blight.

For nearly two years, U-HAB has been striving to drive that message home. That we have achieved some success is indicated not only by the Times editorial itself (prompted by our letter to the Editor published that same day), but also by a recent phone call we received from an officer of the New York Urban Coalition. "Congratulations!" he said. "What for?" we asked. He said, "For turning people's heads around about homesteading and self-help housing. A year ago," he continued, "people here laughed at Sweat Equity-- now that's all I'm hearing!"

It's true. The last year has seen great progress in making the Urban Homesteading/Sweat Equity option a regular, on-going, and priority aspect of New York City housing policy. Many skeptics have come full circle, and are now staunch supporters. Even Roger Starr, the City's top housing official, was quoted in another New York Times editorial entitled "The Housing Wheel" as saying the program was "the only wheel in town."

And now, more than ever, as the City fights desperately for its fiscal integrity, and as it bears the impact of a national recession, homesteading increases in importance. Since it requires little or no subsidy, and in fact returns money to the City, it is not the kind of program that typically shrinks during hard times. Rather, it becomes more crucial each day as the problems of unemployment and poor housing feed and exacerbate one another.

However, as the battle for mere acceptance of the homesteading idea draws to a successful conclusion, the battle for significantly larger amounts of demonstrable results opens in earnest. So far, U-HAB has been involved with over 60 buildings. Nearly 50 are now active Sweat Equity buildings, totaling over 600 individual apartments-- enough housing for nearly 2,000 people. Our two-year goal is more than four times that amount, and requires tremendous new efforts on our part. We need to generate new mortgage sources, more loan processing, more job training, more community development, better construction management, more tenant organizing and training, and easier and more rapid building acquisitions, approvals, and commitments.

U-HAB's top priority is to open new sources of urban homestead mortgage money. Most homesteaders thus far have used Municipal Loan mortgages, which have become unavailable since the City's near-default. U-HAB is now working with the City, savings and commercial banks, and the Federal Government to construct Participation Loans-- whereby the City earmarks Federal revenue sharing funds to be equally matched by bank funds as a mortgage pool available to urban homesteaders. This effort is a crucial part of the drive to assure that Sweat Equity and homesteading continue to grow without interruption.

goals

One of U-HAB's goals is to serve as a communications point for homesteaders in different neighborhoods, by sponsoring workshops, classes, social events and printed homesteading materials. At right, Tommy Bonilla, U-HAB's Field Coordinator for the Bronx, makes a point during one of the "Sweat Equity Forums" held at the Cathedral by U-HAB. At the session shown here, Bronx residents from Washington Avenue had the opportunity to confront the City's Housing & Development Commissioners to protest the disapproval of their project. The decision was subsequently reversed, and the project approved.



goals...

As U-HAB continues to work within New York's urban homesteading movement, offering assistance both to City government and to homesteaders, it has had an opportunity to explicitly articulate and refine its goals.

In general, the organization has worked to strengthen and expand home-steading and Sweat Equity activities in New York, and to catapult the program out of the realm of a token-scale, "fringe" activity, and into the category of a routine, on-going, and priority option within the range of housing policies of New York City. The main thrust of its activities has been in responding to requests for technical assistance from residents and local housing groups in depressed neighborhoods who are seeking to improve their housing conditions. Specifically, U-HAB's goals are:

- 1) TO ASSIST and train homesteaders in the packaging of applications for Sweat Equity loans, and to help monitor the processing and consideration of these applications until approval.
- 2) TO REDUCE as much as possible the costs of technical assistance, including cost estimating, architecture, engineering, legal, accounting, construction supervision, etc. H-HAB's goal is to provide much of this assistance free of charge, and to help groups to secure the remainder from other sources.
- 3) TO PRESS for change and reform in the Sweat Equity/Urban Homesteading process, specifically including, but not limited to:
 - a) the identifying of alternative low-interest mortgage financing sources;
 - b) the streamlining and simplifying of loan applications, processing, and administration;

- c) the correction of the chronic cash flow deficit under which groups in the Sweat Equity program must now operate;
- d) the correction of the City's "all or nothing" rules regarding building renovation--allowing for small loans to repair or replace only those parts of buildings that the residents deem necessary.

4) TO EXPAND the homesteading concept to embrace the many thousands of owner-abandoned dwellings which have been reluctantly taken over by the City with some families still in occupancy. A new As-Is Sales Program will enable the tenants of such buildings to purchase the buildings from the City at a token price, and to repair, manage, and maintain them as urban homestead co-ops. Immediately, such transfers save the City operating, administrative, and liability costs, and ultimately open the way to returning these buildings to the tax roles.

5) TO SERVE as a communications point for homesteaders in different neighborhoods by sponsoring workshops, classes, social events, and printed homesteading materials.

6) TO WORK continuously to lower costs and increase the feasibility of Homesteading buildings by bringing new resources into the program, such as job training funds, church funds, federal and state assistance, private and corporate contributions, etc.; and to lower costs also by working with others toward a cooperatively-run construction materials discount store, a recycling center for used appliances, furnishings, and materials, and new cost-saving architectural solutions and materials.

U-HAB's aim is to achieve all of its goals in a competent, sensitive, and low key way; and to assure that credit for the buildings and the program goes directly to residents who actually "sweat out" the renovation work themselves, and truly deserve recognition for the mammoth effort required. U-HAB further attempts to offer its assistance as training, so that indefinitely continuing support is not necessary.

urban homesteading background...

U-HAB's efforts are set in the context of a national Urban Homesteading Movement. In the past year, some two dozen U.S. cities hopefully embraced the concept as a breath of fresh air in the otherwise dismal landscape of urban housing programs in the United States.

How did this come about? Where are the gleaming new buildings promised in the Housing Act of 1948? ". . . a decent home for every American . . .?"

This promise was made in many ways and at many times: Public Housing, FHA, HHFA, Urban Renewal, Model Cities, Operation Breakthrough, Rent Supplements, Leased Housing, 221-d-3, 235, 236, 202, Section 8, Housing Allowances-- a veritable "alphabet soup" punctuated by Nixon's moratorium and Ford's inaction-- a string of programs, which by its length alone attests to the repeated frustrations of U.S. housing policy.

Much has been said and written about these programs, but one thing is clear: they were too little and too late, often with enormously disruptive and brutal side effects.

States and cities, experiencing the impact of these failures, often tried heroically to fill the federal gaps. New York has been the scene of some of the most creative and well-funded of these efforts. Programs such as Battery Park City and Roosevelt Island evolved directly from the early Urban Renewal approach, but with the crucial saving grace that the massive amounts of new construction did not depend on the wholesale destruction and dislocation of existing communities. But the spiraling costs of new construction, the uncertainty of federal subsidies, and the inability of these programs to pay their own way or reach the most needy, limited their effectiveness.

Another of New York's innovative efforts was its Neighborhood Preservation Program. This program sought to buttress "marginal" neighborhoods which, in its view, "could still be saved." The program admirably emphasized the City's existing housing stock, and attempted to check and contain abandonment by concentrating renovation investment in "fringe area" neighborhoods.

In effect, however, Neighborhood Preservation skipped over the City's worst areas and lent a level of official sanction to the notion that some neighborhoods were already "too far gone."

In fact, except for Homesteading and Sweat Equity, City housing programs actually replicated the private sector's abandonment of the worst areas--threatening to seal their doom as virtual "urban ghost towns." For these reasons, Urban Homesteading assumed unique importance.

New York City was particularly well geared to seize the homesteading potential, drawing as it could on its special resources and already existing activities. The City's major resource was its people, who through spontaneous and organized actions, had brought maturity to the City's co-operative housing movement, unequalled in any other part of the nation. The City's second special resource was its huge stock of abandoned buildings: structurally sound, brick, multiple dwellings containing from eight to 36 apartments. There are now some 150,000 such abandoned units located in approximately 10,000 buildings, with two to three additional structures abandoned each day.

The City's third critical resource was its Municipal Loan Program, a local effort unaffected by the uncertainties of federal policy, and missing in most other homesteading cities. Municipal Loans provided long-term, below-market financing of low-cost housing in marginal neighborhoods. Without them or their equivalent, the cost of financing renovation would have been too great and would have become possible only for the more affluent, missing again the most desperate and needy. Municipal Loans are now being succeeded by Participation Loans, utilizing Federal/City revenue sharing funds coupled with private sector bank financing.

New York's fourth unique resource was the existing momentum behind its official Municipal programs, such as Sweat Equity and Co-op Conversion, which had begun to complement the completely unofficial and spontaneous "people's movement." The latter led to the formation of de facto co-operatives in partially abandoned buildings. In these cases, tenants who remained in a building after a landlord had abandoned it, often coalesced as a group around emergency repairs crucial to physical survival.

Typically, initial cooperative repairs were minor but important, such as fixing front door locks or a doorbell system. The confidence and sense of cooperation gained by doing such simple tasks as a group led to more substantial repairs, such as fixing a faulty furnace or leaking roof. Gradually, leadership groups emerged among the tenants who accepted responsibility for collecting money for such repairs, and this step signaled the beginning of numerous de facto co-ops which, although operating on an informal and extra-legal basis, began to manage, maintain, and control a great many New York buildings.

The momentum of this spontaneous movement, coupled with the City's existing Sweat Equity and Co-op Conversion Programs, provided the basic foundation for U-HAB's urban homesteading effort.

missing links...

However, three critical elements were still missing in both the official programs, and in the "people's movement."

- 1) There was no provision for technical assistance to homesteaders in such crucial areas as architecture, engineering, legal, or accounting advice; cost estimating; construction supervision; loan packaging; materials purchasing; management and maintenance assistance; etc.
- 2) There was no source nor provision for seed money with which to start the homesteading process, including money to purchase abandoned buildings from the City, to insure them, to acquire detailed plans and specifications for renovation, to pay for filing and permit fees, to purchase construction tools, temporary utilities, trash disposal services, initial construction materials, and a host of other start-up items.
- 3) The City lacked the staff to process anything more than the smallest trickle of homesteading applications.

Interested observers, who saw the homesteading movement as an unprecedented alternative to the crumbling economics of privately-owned tenement rentals, and to the repeated failures and frustrations of conventional housing assistance procedures, groped for a way to fill the three gaps.

A small task force was formed at the Cathedral of St. John the Divine to search for ways to strengthen the homesteading potential in New York. Early on, the Cathedral itself made a \$10,000 seed money loan to the City's first Sweat Equity pilot project at 948 Columbus Avenue, and shortly thereafter, in conjunction with Macmillan Publishers, sponsored a self-help housing conference focusing on the new book Freedom to Build: Dweller Control of the Housing Process. The book and the conference emphasized the feasibility, efficiency, and importance of self-help housing, and led to the Cathedral's sponsorship of U-HAB, which was to lend technical assistance to the pilot project, and to a hopefully large number of follow-on homesteading projects throughout the City.

U-HAB was designed as a non-profit housing service, operating independently of both the Cathedral and City government-- functioning as a catalyst to bolster homesteading activities. The organization was formulated to

collaborate with the City's growing co-op and self-help housing movement, developing close working relations with individual homesteading buildings, and the City's many active Neighborhood Housing Groups.

U-HAB proceeded to recruit a small staff of housing specialists, including one of the authors of Freedom to Build, and three former City employees who had helped to design and develop the Sweat Equity Loan Program within City government. This staff, working with numerous volunteers and consultants, began work to fill in the gaps in the homesteading program.

The first gap involved technical assistance to the homesteaders, particularly in the area of "packaging projects." This effort included such activities as matching groups of potential homesteaders with available buildings, assisting the groups to organize and legally incorporate as non-profit co-ops, helping to acquire the buildings, assisting with cost estimates, engineering inspections, architectural plans and specifications, financial feasibility studies, loan applications and documentation, start-up construction tasks, etc.

More limited technical assistance was also provided for construction supervision, supplemental fund raising, materials purchasing (including free and very low-cost recycled household furnishings, appliances, and construction materials), and self-help management and maintenance information.

During the first year (July 1974 through June 1975) approximately \$180,000 was raised from philanthropic sources in order to offer this assistance without charge to the low-income homesteaders. During this current fiscal year, U-HAB's budget target has been set at \$190,423, allowing for slight increases in most categories, and a larger \$52,000 increase for specialized technical consultants-- particularly for construction management.

The second gap in the homesteading process centered on seed money; although U-HAB itself has not been able to raise the large amounts needed. Nonetheless, the organization has helped homesteaders to raise seed money from outside sources-- particularly from the Consumer-Farmer Foundation which now has over \$100,000 outstanding in Sweat Equity seed money revolving funds. To a certain extent, the Consumer-Farmer Foundation utilizes evaluations and recommendations from the U-HAB staff regarding the allocation of their seed money loans. In addition, the President of the Consumer-Farmer Foundation has been a key advisor to U-HAB, and serves as a Director and Treasurer of U-HAB's Corporation. U-HAB has also helped to secure additional homesteading seed money from the Community Housing Fund, a coalition of Morningside Heights institutions, and from various New York City banks.

The third gap in the homesteading effort focused on the shortage of municipal personnel for processing Sweat Equity loan applications. U-HAB's staff has voluntarily augmented the City's official staff, and as a matter of routine, now handles, guides, types, duplicates, and expedites much of the paperwork that must accompany every homesteading effort. As the City girds itself for additional budget and personnel cutbacks, this function of U-HAB will, unfortunately, assume even greater importance.

the human side...

A discussion of U-HAB's activities in terms of buildings, dollars, and statistics is hollow and misleading without equal attention to the human side of homesteading. Involved New Yorkers include street gangs, church parishioners, ex-addicts and offenders, Muslims, welfare families, veterans, former squatters, unemployed elderly, feminists, and numerous Latin groups. They are some of the City's most beleaguered and oppressed families, having spent most of their lives in neighborhoods where 30% joblessness is the norm.

They are motivated by simply having nowhere else to go, and no one else to turn to but themselves. They are streetwise, with a degree of cynicism about the "system," but they are always betting on themselves and their neighborhoods, and trying positively to move forward.

From their perspective, while the abandoned and deteriorated buildings are demoralizing, they are also recognized as a tremendous resource. Although the buildings no longer make sense as investments (and hence have been abandoned by their former owners), with self-help rehab, the financial calculus radically changes for co-op owner-occupants who are not interested in an investment, but solely a reasonable, secure, and decent home.

While the condition of the neighborhood depresses the ultimate value of the building, it is a fact of life with which the neighborhood residents have had to cope for many years. While they wish the neighborhood could be improved, they cannot wait for that day, nor does it stop them from reviving and fortifying an individual building as a viable place to live. And in virtually every case a single building has led to a cluster of new homestead starts.

In addition, homesteading has stimulated other forms of self-help activities, including neighborhood cleanups, voter drives, self-help schools and day care centers, youth programs, blood drives, vest-pocket parks, police relations, political campaigns, food co-ops, drug programs, etc. All have focused on replacing feelings of helplessness with new-found feelings of energy, control, and self-respect.

But the work remains slow and discouraging. In light of this reality, a skeptical staff member from a New York foundation recently inquired of us, "How do you ever keep up people's enthusiasm for a year or more of such work?" Our reply shocked the Foundation staff at first: "There is no enthusiasm for homesteading," we responded, "and there never was. The fuel for this program is desperation. Homesteading is something you're driven to, only when your other options have run out; and there are a lot of New Yorkers with no other hope or choice right now."

How the sun came to shine on "La Casa del Sol"

Posed for a "family" portrait in front of their future home are working crew and future residents C. R. MacDonald, left, Charyl Edmunds, Victor Guzman, and Jack Richings.



A unique grant from Morgan Guaranty has made possible the vital finishing touches — plumbing and heating — on a self-help restoration project soon to provide housing for six New York families.

The bank's Charitable Trust has been making grants to various housing programs around the city for some time, but the grant of \$5,000 recently given to The Urban Homesteading Assistance Board (U-HAB) is the first given for a specific purpose — plumbing and heating materials in a building undergoing renovation by its own future residents at 948 Columbus Avenue in Manhattan.

U-HAB, a nonprofit service sponsored by the Cathedral Church of St. John the Divine, assists low-income New Yorkers with self-help rehabilitation of abandoned buildings. Donald Terner, director of U-HAB, explains, "Our goal is to enable modern-day homesteaders — people who agree to own, occupy, renovate, and manage presently abandoned buildings — to return these dwellings to the city's terribly depleted stock of decent low-cost housing."

He adds, "U-HAB does not provide handouts, but it does offer technical assistance and seed money to self-helpers willing to salvage and restore these buildings, and to give them new life."

Woodie G. Williams, vice president, Community Relations and Public Affairs, who coordinates grants to housing groups, says he was favorably impressed on his first visit to 948 Columbus.

"Here are six families," he says, "who have taken a building that seemed in the last stages of disrepair, that was literally falling apart, and by their own hard labor are turning its apartments into attractive and comfortable homes."

The project was made possible by a revision in the city's Municipal Loan Program which enables low-income people to obtain 25-year mortgage loans from the city to finance the purchase and renovation of abandoned city-owned dwellings.

The program has been dubbed "sweat equity" because the future residents are required to do most of the rehabilitation work themselves. Their "sweat," or unpaid labor, takes the place of the "dollar" equity most other co-operators obtain by putting down a cash payment for their apartments.

The future residents of 948 Columbus are doing *all* of the renovation in their building themselves — from chipping

Right: C.R. MacDonald does some measuring. Far right: Charyl Edmunds and the others climb these rickety stairs hundreds of times each day. Below: Mrs. Edmunds, left, and Victor Guzman work on some wiring. Miss MacDonald takes a brief rest.



plaster and putting in tile to installing the plumbing and heating equipment provided by Morgan funds.

"And all of the work must conform to the building codes," George Peshkin, chief of field inspections for the City of New York for all housing rehabilitation, says. "No allowances are made because these people are amateurs."

Mr. Peshkin has a special feeling for 948 Columbus, which is why he does most of the inspections on this site himself. "Of all the 'sweat equity' buildings, this has the most 'sweat equity' in it," he explains.

Everyone works, including the children. Elisa Guzman, who will live in the building with a son and two grandchildren, cooks meals for herself and the others. The children clean bricks and help fill garbage bins.

Charyl Edmunds, another cooperator, says, "We wanted older people like Mrs. Guzman in the building. We think they belong in the program. We wanted our building to be an example to show older people can actively participate in the renovation process."

Mrs. Edmunds is a full-time worker on the building, and she has the cuts and bruises to prove it. She and C.R. MacDonald, who works part-time on the building and part-time on her job at the Cathedral, have ripped boards, painted walls, and laid bricks and cinder blocks.

Mr. Peshkin recalls, "After the two women finished laying the cinder blocks in the basement, I went over to C.R. to shake her hand and congratulate her on a job well done. Her hands were so cramped she couldn't straighten her fingers."

The group has been working on the building for two years. "It was a horror the first time we saw it," Mrs. Edmunds remembers. "The central beam that supported the house had fallen down, the fifth floor outside wall had fallen off, and all of the floors were broken. The only heat was from illegal gas heaters, and there was only one bathroom on each floor."

Another horror was the accumulated garbage. Because many of the windows were broken, the building had become a convenient place for the neighborhood to dispose of trash. "In some places," Mrs. Edmunds says, "the piles of garbage were over my head. We filled 32 bins."

The large and sunny back yard was also piled high with garbage. This, too, has now been cleared, and Mrs. Edmunds, Miss MacDonald and the other cooperators look forward to planting the area with trees, flowers, and shrubs.

Quite a lot of work still remains to be done, but two families have already moved into the building and are acting as caretakers until it is fully occupied. That was why it was

Right: Jack Richings' apartment is almost completed. He has moved in some furniture and is hanging draperies. Center right: The signs on Luisa Haladay's door leave no doubt as to the identity of the occupant. Center far right: Standing on the top rungs of a ladder, Mrs. Edmunds applies paint to the ceiling of this top-floor apartment. Lower right: The back yard was deep in garbage. When all of the garbage is cleared away, the cooperators will plant trees, shrubs, and flowers.





so important to bring in heating and plumbing, Mr. Terner says.

Jack Richings expects to move into his apartment shortly. Mr. Richings, who is about 60 years old, was formerly on the staff of a major New York City newspaper, and is now living on unemployment insurance. The others have ceased work on their apartments to help him finish up his. C.R. MacDonald explains, "Jack really needs to move in. He's living in a rundown residential hotel now, and hasn't been able to get out because he can't afford the rent anywhere else."

Monthly maintenance and loan repayment charges on apartments at 948 will run between \$78 and \$102. Renovation of each apartment is budgeted at between \$4,000 and \$5,000, less than half of what would be charged by private contractors.

Originally, 948 contained eight cold-water railroad flats. These have been rearranged into six apartments, including two duplexes with interior stairs for the two larger families. In keeping with its new personality, the building has been given a name — La Casa del Sol.

"The sun just pours in," Mrs. Edmunds explains.

Window frames have been painted in the colors of the sun — one floor yellow, another orange, another red.

Mrs. Edmunds laughs. "Each time we completed painting one floor of window frames, people on the street cheered. Some of them have started repainting their buildings, too."

Don Terner says the rehabilitation of 948 Columbus has been an inspiration to the entire homesteading program. Twelve more buildings will shortly be brought into the program.

"I know we face basic economic problems today," Mr. Terner says, "but they are long-term problems, and housing is short-term. The housing problem can't wait, can't be put off. Just try to spend one night out-of-doors during the winter or even indoors without heat."

Mrs. Edmunds sees the expanded U-HAB program as actually aiding the economy. She says the city gains each time a building is rehabilitated.

"The money the city loaned us will be repaid," she explains. "The city will also collect taxes on this building. And of course, when you renovate a building, you renovate a neighborhood, too."

Woodie Williams adds, "Morgan is always looking for innovative, result-oriented grant opportunities. This project really filled the bill."



staff

U - H A B S T A F F

Chairman:

* Ian Donald Terner

Director:

* Philip St. Georges

Director of Technical Assistance:

* Charles Laven

Field Coordinators:

* Tommy Bonilla

* Eulogio Cedeno

Office Staff:

* Eloise Ferguson

* Kathy DeShong

Part-time Consultants:

* Lloyd Jones, Construction Estimator

* Sheila Rauch, Program Administrator

* Maria Anglada, Community Organizer

Volunteers:

* Maurice Sieradski, Legal Council

* Robert Freedman, Film and Communications

* Karen Gedgart, Research

* Wendy Faxon, Research



*Eloise Ferguson, U-HAB's
Office Manager, responds
to a telephone inquiry.*

STAFF BIOGRAPHIES

* Donald Terner,

U-HAB Chairman

*Other
Positions:*

Ford Foundation Associate Professor of Urban Studies and Planning, Massachusetts Institute of Technology (on leave)

Education:

Ph.D., Harvard University, City and Regional Planning

M.C.P., Harvard Graduate School of Design, Master of City Planning

A.B., Harvard College, Architectural Sciences, Magna cum Laude

Publications:

Freedom to Build: Dweller Control of Housing, Macmillan, New York, 1972 (co-author)

The Responsive House, M.I.T. Press, 1974 (co-author)

Numerous journal and professional articles

EXPERIENCE:

Director Massdesign, Architects and Planners, Inc., 1972-present (on leave)

*Administrative/
Corporate
Management:*

Vice-president and Director, Neal Mitchell Associates, engineering and planning firm, 1965-70

Vice-President and Director, International Construction and Marketing, 1967-70

*Housing
Development/
Construction:*

Resident Project Manager for Mitchell Associates, overseas housing and construction projects in Argentina, Peru, Venezuela and Colombia, 1966-70

Management responsibilities, design and construction projects in Cambridge, Mass.; Bedford, Mass.; Lancaster, Pa.; Greensboro, N.C.; Baltimore, Md.; Detroit, Michigan; 1966-70

Private Consultant in Housing and Urban Planning to: The Industrialized Housing Project, National Academy of Sciences, Washington, D.C.; The Urban Institute, Washington, D.C.; Organization for Social and Technical Innovation (OSTI), Cambridge, Mass.; Committee on Appropriate Technologies for Developing Economies, Office of the Foreign Secretary, National Academy of Engineering, Washington, D.C.; 1971-72



PHILIP ST. GEORGES, *U-HAB Director*

Education: B.A., Yale University, City Planning/Political Science, Cum Laude, 1974

EXPERIENCE: Director of the Renigades Housing Movement in East Harlem, specializing in program development, including on-the-job construction training programs for 50 community residents, and organization of Sweat Equity housing rehabilitation projects in East Harlem, 1974

Community Development:

Housing Administration: Director of Project Managers Office of Cooperative Conversion, New York City Housing and Development Administration, 1973-74. Co-organizer, Sweat Equity Housing Program based on the principle of tenant self-help rehabilitation of multiple dwellings in New York City, 1968-69

Planning: Staff member, Suburban Action Institute, a non-profit research and action organization, involved in metropolitan suburban/city planning, Summers 1968-69. Founder and Co-chairman, Maple Avenue Relocation Committee, Mt. Kisco, New York, Summer 1968



CHARLES LAVEN, *U-HAB Director of Technical Assistance*

Education: S.B., Massachusetts Institute of Technology, Art and Design, 1973

EXPERIENCE: Design and Project Management of a School building for the Rough Rock Demonstration School on the Navajo Indian Reservation in Chinle, Arizona, 1972. Office work for Ezra Ehrenkranz and Associates on solar energy.

Architecture:

Housing Administration: Project Manager, Office of Cooperative Conversion, New York City Housing and Development Administration, 1973-74.

Construction: Design and construction of two classroom structures at the Little Folks Day Care Center, East Boston, Massachusetts, 1973. Design and construction, and administration of a community playground in East Boston, Massachusetts, 1973. Small Scale construction projects at M.I.T. Department of Architecture and at the Harvard Law School, 1972-73. Construction and Analysis of Shelterkit, a Do-It-Yourself housing kit available for self-help housing use, 1972.

Planning: Land Use for study for the East Boston Recreation Advisory Council, published January 1973, 1972. Consultation for Urban Systems Research & Engineering, Inc., on Federal Urban Homesteading Evaluation Proposal.

STAFF BIOGRAPHIES

* TOMMY BONILLA, *U-HAB Field Coordinator*

Education: Grand Union High School
Lehman College, one year of study

EXPERIENCE: Youth Worker with Neighborhood Youth Corp, Sacramento, Ca., 1965; Playground Assistant for Del Paso Heights School District, Sacramento, Ca., 1966-67

Community/Service Work: Counselor for Project N.O.R.A. (Narcotic Orientation for the Rehabilitation of Addicts), Bronx, New York, 1972

Housing: Housing Specialist for Inter-Faith Adopt-A-Building, 1972-74

* EULOGIO CEDEÑO, *U-HAB Field Coordinator*

EXPERIENCE: Vice-President of the Renigades of Harlem, a Youth Gang for the People, and Director of the Renigades Housing Movement, Inc. In this position, organized a community level youth program for summer work, presently targeted for 200 youths, Boys Club, voter registration drives, blood donation, youth gangs in Community Clean-Up, developed play lots at 118th Street between 2nd and 3rd Avenues, co-oping once abandoned building at 251 E. 119th Street

Community Work/Organizing

Housing: Cooperating with Reality House, Inc., on neighborhood drug abuse problems

Organizing and sponsoring three follow-on Sweat Equity projects with CETA job-training funds at 312 and 316 E. 119th Street and 425 E. 118th Street.

STAFF BIOGRAPHIES

* ELOISE FERGUSON,

U-HAB Office Coordinator

Education:

Hobart University, special study program in Co-operative Housing

Atlanta University, two years of study

Booker T. Washington High School, Atlanta, Georgia

EXPERIENCE:

Housing/ Community Development

Management experience includes: Co-founder and organizer of one of the first cooperatives in the Harlem area in affiliation with Father McPeak and Mr. Horvath

Co-Founder, St. Nicholas Cooperative Housing Group, 5th Avenue, 128-129 Street

Coordinator, 100 Worst Buildings Committee

Aide to Roger Schaffer, Housing Consultant, New York City

Coordinated City's housing programs in central location

Assistant to Management Supervisor of 590 St. Nicholas and 105 Edgecombe Avenue, comprising 93 units

Sales Agent and Manager to low income co-op, St. Nicholas and 113th Street

Manager, Triangle Apartments for Triangle Management Corporation, comprising over 100 units

Board of Directors, Community Association of East Harlem Triangle

Community Planning Board

Other:

Democratic County Committee Woman

Inspector, Board of Elections



finances

SUMMARY BUDGETS,

LIST OF CONTRIBUTORS,

and

FINANCIAL STATEMENT

 While financing remains a problem, the work goes on. At left, Charyl Edmunds mixes joint compound as her apartment nears completion.

U-HAB BUDGET SUMMARY

Fiscal Year 1974-75

(Detailed breakdowns on request)

STAFF SALARIES: Initially 3 full-time employees, growing during the year to 8 employees @ average salary of \$12,140 (includes: Director, 2 Project Managers, 3 Field Coordinators, Office Manager/Receptionist, Secretary/Administrative Assistant) ¹	\$60,700	47.5%
EMPLOYEE BENEFITS @ 10.9%	6,600	5.2%
TECHNICAL CONSULTANTS: (includes: fees for Architectural, Engineering, Cost Estimating, Construction Supervision and Management, Legal and Accounting Services)	10,700	8.4%
OPERATING & OVERHEAD: (includes: rent, utilities, maintenance, office supplies, duplicating, printing, telephone, postage, office equipment rental) ²	5,800	4.5%
TRANSFERS & OTHER DIRECT SUPPORT TO BUILDINGS	28,800	22.5%
OTHER ADMINISTRATIVE AND MISCELLANEOUS	2,600	2.0%
BALANCE CARRIED FORWARD TO FISCAL YEAR 1975-76	<u>12,600</u>	<u>9.9%</u>
	\$127,800	100.0%

NOTES:

¹ Staff salaries do not reflect the work of numerous volunteers.

² Operating and overhead costs do not reflect "in-kind" contributions made by the Cathedral of St. John the Divine and others, valued at approximately \$17,500 annually.

U-HAB BUDGET SUMMARY (projected)

Fiscal Year 1975-76

(Detailed breakdowns on request)

STAFF SALARIES: 8 full-time employees @ average of \$11,975 (includes: Director, 2 Project Managers, 3 Field Coordinators, Office Manager/Recep- tionist, Secretary/Administrative Assistant) ¹	\$95,800	50.3%
EMPLOYEE BENEFITS @ 18.5%	17,723	9.3%
TECHNICAL CONSULTANTS: (includes: fees for Architectural, Engineering, Cost Estimating, Construction Supervision and Management, Legal and Accounting Services)	62,500	32.8%
OPERATING & OVERHEAD: (includes: rent, utilities, maintenance, office supplies, duplicating, printing, telephone, postage, office equipment rental) ²	12,400	6.5%
OTHER ADMINISTRATIVE AND MISCELLANEOUS	<u>2,000</u>	<u>1.1%</u>
TOTAL PROJECTED BUDGET	\$190,423	100.0%

NOTES:¹Staff salaries do not reflect the work of numerous volunteers.²Operating and overhead costs do not reflect "in-kind" contributions made by the Cathedral of St. John the Divine and others, valued at approximately \$17,500 annually.

U-HAB CONTRIBUTORS

<u>Foundations</u>	\$57,000.00
Kaplan Fund Arca Foundation Noble Foundation New York Foundation	
<u>Banks</u>	56,900.00
Bankers Trust Chemical Bank ¹ Morgan Guaranty ¹ Chase Manhattan ¹ Manufacturers Hanover ¹	
<u>Churches</u>	48,861.53
Cathedral of St. John the Divine ² Bishop of New York (Episcopal) Episcopal Housing Corporation ³ St. James Parish Trinity Parish Presbytery of New York ¹ The Catholic Worker	
<u>Other</u>	50,927.76
New York Urban Coalition Columbia University Consolidated Edison Association of Neighborhood Housing Developers National Endowment for the Arts Benefit Concert	
	TOTAL CONTRIBUTIONS
	\$213,689.29

NOTES:

1. Transfers through U-HAB to individual buildings or programs totaling \$42,550.
2. Does not include \$6,000 in outstanding seed money nor in-kind services valued at approximately \$35,000 over two years.
3. Does not include \$35,000 in seed money committed directly by EHC to three projects.

U-HAB FINANCIAL STATEMENT
(As of January 1, 1976)

Funds Raised in Fiscal Year (F.Y.) 1974-75	\$127,846
Operating Expenses F.Y. 1974-75	-(86,400)
Transfers & Direct Support to Projects F.Y. 1974-75	<u>-(34,100)</u>
BALANCE CARRIED FORWARD TO F.Y. 1975-76	7,346
 Funds Received in F.Y. 1975-76	 <u>46,891</u>
GROSS INCOME F.Y. 1975-76	54,237
First Half Operating Expenses F.Y. 1975-76	-(47,441)
Transfers & Direct Support to Projects F.Y. 1975-76	-(13,750)
Credit Advanced by the Cathedral of St. John the Divine	<u>25,000</u>
CASH ON HAND	18,046
 Receivables Outstanding	 5,099
Payables Outstanding	<u>-(6,500)</u>
BALANCE CARRIED FORWARD TO THIRD QUARTER 1975-76	16,645
 Amounts Pledged or Due From Fee-for-Service Work	 <u>49,600</u>
TOTAL ANTICIPATED INCOME	66,245
 Reimbursement to Cathedral	 -(25,000)
Anticipated Remaining Expenses through F.Y. 1975-76	<u>-(142,986)</u>
REMAINING FUNDS TO BE RAISED DURING F.Y. 1975-76	-\$(101,741)

Details available on request.

buildings in progress

URBAN HOMESTEADING/SWEAT EQUITY FACT SHEET

WINTER 1976

Third Revision

The following is a list of all known Urban Homesteading/Sweat Equity projects in New York City. It is compiled and periodically updated by the Urban Homesteading Assistance Board, using both official and unofficial sources.

The list now contains 49 buildings, comprising 601 dwelling units-- enough housing for over 2,000 people. Although New York's homesteading movement is still in its early stages, it is the largest in the country. Some two dozen other cities now have similar programs.

All projects on this list share one theme: they are inner-city tenements and apartments which will be cooperatively renovated, owned, and managed by the self-help efforts of the residents who live in them. Credit and responsibility for each building is theirs, and theirs alone. The list contains buildings in different stages of development, with many different sponsors, and receiving different forms of assistance from numerous organizations.

* 948 Columbus Avenue, Manhattan
 6 dwelling units, average cost per unit: \$5,360
 Sponsored by: The Urban Homesteading Assistance Board. Article VIII
 Municipal Loan for #32,200 closed October, 1973. Construction 90%
 complete.
 This building is being converted from 8 railroad flats to 4 front-back
 apartments and 2 duplexes by six households most formerly squatters in
 the West Side Urban Renewal Area. Seed money for the project was pro-
 vided by the Cathedral of St. John the Divine. The project has also been
 supported by the Slant-Fin Corporation and two grants from the Morgan
 Guaranty Bank. A temporary Certificate of Occupancy was issued to the
 project on March 11, 1976, and the building is now entering debt service.

* 251 East 119th Street, Manhattan
 23 dwelling units, average cost per unit, approximately \$15,000
 Sponsored by: Harlem City Facilities Corp. Article VIII Municipal Loan
 for \$320,545 closed January, 1974. Construction 99% complete.
 The renovation of this building is being performed by the Renigades of
 Harlem, Youth Gang for the People, an East Harlem street gang. The gang,
 many of them ex-addicts and ex-offenders have been trained and payed a
 stipend of \$3.00/hour while learning a wide variety of construction skills
 on the job. The efforts of the Renigades in East Harlem have inspired
 numerous other community self-help projects. The building is now com-
 plete and is owned as a cooperative by a corporation formed by the
 Renigades. Monthly charges are projected at \$140/month for a one bedroom
 apartment. Seed money and interim financing was provided by the Consumer-
 Farmer Foundation. The Vice-President of the Renigades, and Director of
 the Renigades Housing Movement is a full-time U-HAB staff member.

* 519 East 11th Street, Manhattan
 11 dwelling units, average cost per unit: \$13,657
 Sponsored by: Adopt-a-Building and the East 11th Street Housing Movement.
 Article VIII Municipal Loan for \$174,595 closed October 1974. Con-
 struction 80% complete.
 This is one of the many projects that combines sweat equity with job train-
 ing and is the first building in a block effort being developed by the
 sponsor. The building is being worked on by over thirty people, many of
 whom live in neighboring buildings. Seed money was provided by Chemical
 Bank. U-HAB has provided loan packaging assistance and support for the
 construction supervisor. The building now has the first solar heated
 hot water system of any urban residential project in the country, which
 was financed with a \$40,000 grant from the Energy Research & Development
 Administration (ERDA). Residents of the building and block have also
 constructed a People's Park next door to their new home, adding a side
 entrance to the building, a basketball court, and a water fountain, all with
 a small grant from the American Friends Service Committee. A small overrun
 in the costs of the project was avoided by a \$15,000 grant from the Hayden
 Foundation.

* 517 East 11th Street, Manhattan
 9 dwelling units, average cost per unit: \$8,000
 Sponsored by: Adopt-a-Building, CETA Sweat Equity project, Article VIII
 Municipal Loan for \$179,407 committed in October, 1975.
 This building will be rebuilt along with 519 East 11th Street. Plans have
 been submitted and approved by the City. Seed money has been provided by
 Chemical Bank. The Federally-funded Comprehensive Employment Training
 Act (CETA) will provide construction training stipends for the self-helpers
 at the building. U-HAB has provided technical assistance in loan packaging
 and cost estimating.

* 507-509 East 11th Street, Manhattan
 16 dwelling units, average cost per unit: \$10,300
 Sponsored by: Adopt-a-Building, 11th Street Housing Movement Inc.,
 CETA Sweat Equity Project. Article VIII Municipal Loan for
 \$164,972 passed Municipal Loan Committee on July 3, 1975.
 Loan closed February 11, 1976.

This building was slated for the city's housing auction. Due to pressure from the sponsor, it will become one of the many buildings on East 11th that are Sweat Equity projects. These two buildings are being converted into one, with the architectural assistance of the Pratt Community Development Environmental Institute. Seed money has been provided by Consumer-Farmer Foundation. The Federally-funded Comprehensive Employment Training Act (CETA) is providing construction training stipends for the self-helpers at the building. U-HAB has provided technical assistance in loan packaging and cost estimating.

* 533 East 11th Street, Manhattan
 14 dwelling units, average cost per unit: \$12,300
 Sponsored by: Adopt-a-Building, 11th Street Housing Movement Inc.,
 CETA Sweat Equity Project. Article VIII Municipal Loan for
 \$178,997 passed Municipal Loan Committee on July 3, 1975 and closed
 February 10, 1976.

This building is being renovated as a part of the sponsors' intensive efforts on East 11th Street between Avenues A and B. Seed money has been provided by Consumer-Farmer Foundation. The Federally-funded Comprehensive Employment Training Act (CETA) is providing construction training stipends for the self-helpers at the building. U-HAB has provided technical assistance in loan packaging and cost estimating.

* 2149-51-53 Pacific Street, Brooklyn
 24 dwelling units, average cost per unit: \$10,100
 Sponsored by: Ocean Hill-Brownsville Tenants Association, CETA Sweat Equity Project. Article VIII Municipal Loan for \$241,984 passed Municipal Loan Review Committee in October 1975 and was closed February 10, 1976.

These three buildings were HUD-owned foreclosures, and had been 90% re-habed by FHA prior to abandonment, vandalism and deterioration. The Federally-funded Comprehensive Employment Training Act (CETA) is providing construction training stipends for the self-helpers at the building. U-HAB has provided technical assistance in loan packaging and cost estimating and assistance in processing requisitions through HDA.

* 1186 Washington Avenue, Bronx
 28 dwelling units, average cost per unit: \$9,353
 Sponsored by: People's Development Corporation. CJCC Sweat Equity Project. Article VIII Municipal Loan for \$311,664 passed Municipal Loan Review Committee in October 1975.

This project has already begun to revitalize a deteriorating block in an area of numerous burned-out buildings. Loan closing is expected in May, 1976. Neighborhood response has been overwhelmingly positive, both to the building and to a park being undertaken by the sponsor on a nearby vacant lot. Neighborhood Youth Corps Summer Workers have participated in both projects. The sponsors have already begun interior demolition of several other vacant, city-owned buildings on the block, 1178 and 1217. Seed money has been provided by the Consumer-Farmer Foundation. U-HAB has assisted with loan packaging, cost estimating, and fund raising. A Federal job-training program administered by the Criminal Justice Coordinating Council (CJCC) will provide construction training stipends for the self-helpers at the building.

* 1988 Davidson Avenue, Bronx
20 dwelling units, average cost per unit: \$12,900
Sponsored by: Bronx League Against Slum Tenancies (BLAST), Morris Heights
Neighborhood Improvement Area (MHNIA), Davidson Community Center.
CJCC Sweat Equity Project. Article VIII Municipal Loan for \$257,603
committed. Loan closing expected June, 1976.
The reconstruction of 1988 will be done by work-release inmates from
Greenhaven State Prison, all members of COM, an inmate-run corporation.
The COM men, in anticipation of the project, have sponsored construction
classes for themselves in prison. The building, when completed, will be a
cooperative with the aid of the sponsoring neighborhood organizations.
The project is supported by the New York State Department of Corrections.
A grant for the project has been given by the Chase Manhattan Bank. U-HAB
is assisting with the packaging and expediting of the project, and will
help with accounting and construction management. A Federal job-training
program administered by the Criminal Justice Coordinating Council (CJCC)
will provide construction training stipends for the self-helpers at the
building.

* 281 and 285 Bonner Place, Bronx
16 dwelling units, average cost per unit: \$15,165
Self-sponsored, CJCC Sweat Equity Project. Article VIII Municipal Loan
for \$186,563 passed Municipal Loan Review Committee in May, 1975.
The people in this building are doing all the packaging and processing
themselves in order to obtain a Municipal Loan, and are finalizing nego-
tiations for title to 285 Bonner Place with the City of New York. The
tenants are already the owners of 281 Bonner Place. Loan closing is
expected in June, 1976. The Coordinator for this building is a full-time
U-HAB staff member. A Federal job-training program administered by the
Criminal Justice Coordination Council (CJCC) will provide construction
training stipends for the self-helpers and tenants in the building, who
will work with Abcon Industries, the general contractor selected by the
tenants for this project.

* 55 St. Nicholas Avenue & 132 West 113th Street, Manhattan
21 dwelling units, average cost per unit: \$14,300
Sponsored by: The Mosque of Islamic Brotherhood, Inc. Article VIII
Municipal Loan for \$300,000 passed Preliminary Review Committee,
June 1974.
This is a Sweat Equity Project for members of this religious community.
Work has begun with seed money from various Morningside Heights insti-
tutions through their joint Community Housing Fund. U-HAB has assisted
this project from its inception, and is now actively finalizing the
first "Participation Loan Program Submission" utilizing first year
Community Development Act funds and private mortgage funds committed by
the New York Bank for Savings. In addition, the sponsor has now joined
the Harlem Coalition with the Harlem Redevelopment Group (see below) in
applying for job-training funding from the Comprehensive Employment
Training Act (CETA) which will provide stipends and training to the
future cooperators during construction.

* 208, 215, 242-244, 250 West 136th Street, Manhattan
11 (eleven) dwelling units
Sponsored by: The Harlem Redevelopment Group as cooperators, residents,
builder/developer, and general contractor, and the Harlem Coalition
as sponsor of on-the-job training.
These five buildings are city-owned abandoned brownstones on a stable resi-
dential block in north-west Harlem, and are the first homesteading projects
in that area. Reconstruction has begun on the two adjacent buildings at
242-244 which will be joined by a single heating system. A site office has
been established at 2143 Seventh Avenue. U-HAB is assisting with packaging
the first sweat equity loans through the Federal Section 312 Loan Program
which provides loans for 1-4 unit buildings. In addition, U-HAB has
assisted the Harlem Coalition in developing and submitting a proposal for
on-the-job training during construction utilizing CETA funding.

* 312 East 119th Street, Manhattan
10 dwelling units, average cost per unit: \$13,100
Sponsored by: Renigades Housing Movement Inc. CETA Sweat Equity Project. Article VIII Municipal Loan for \$130,970 passed Municipal Loan Committee in July 1975.
This is the second building that the Renigades Housing Movement Inc. is preserving and renovating as part of their block effort. Loan closing is expected in May, 1976. Members who have acquired the necessary skills for rehab while reconstructing 251 East 119th Street will now train others to construct and maintain their building. The Federally-funded Comprehensive Employment Training Act (CETA) will provide construction training stipends for the self-helpers at the building. Overall responsibility is being assumed by the Renigades Housing Movement. Seed money has been provided by the Consumer-Farmer Foundation. Coordination and packaging has been undertaken by the Renigades with technical assistance and cost estimating from U-HAB.

* 425 East 118th Street, Manhattan
4 dwelling units, average cost per unit: \$14,865
Sponsored by: Renigades Housing Movement Inc. CETA Sweat Equity Project. Article VIII Municipal Loan for \$91,148 passed Municipal Loan Committee on July 3, 1975.
This is the fourth building that the Renigades will rebuild and co-operatively maintain. Loan closing is expected in May, 1976. Once this building is complete, 118th Street will be a solid residential block. The Federally-funded Comprehensive Employment Training Act (CETA) will provide construction training stipends for the self-helpers at the building. Overall responsibility is being assumed by the Renigades Housing Movement. Seed money has been provided by the Consumer-Farmer Foundation. Coordination and packaging has been undertaken by the Renigades with technical assistance and cost estimating from U-HAB.

* 316 East 119th Street, Manhattan
10 dwelling units, average cost per unit: \$13,200
Sponsored by: Renigades Housing Movement Inc. CETA Sweat Equity Project. Article VIII Municipal Loan for \$145,148 passed Municipal Loan Committee on July 3, 1975. Loan closing is expected by mid-1976.
This abandoned, city-owned building will be the third building that the Renigades Housing Movement, Inc. is preserving as a part of their own block renovation plan utilizing Sweat Equity. The Federally-funded Comprehensive Employment Training Act (CETA) will provide construction training stipends for the self-helpers at the building. Overall responsibility is being assumed by the Renigades Housing Movement. Seed money has been provided by the Consumer-Farmer Foundation. Coordination and packaging has been undertaken by the Renigades with technical assistance and cost estimating from U-HAB.

* 927 Columbus Avenue, Manhattan
12 dwelling units, average cost per unit: \$14,500
Sponsored by: The Manhattan Valley Development Corporation, CJCC Sweat Equity Project. Article VIII Municipal Loan for \$173,631.
This building is diagonally across the street from 948 Columbus Avenue, one of the first Sweat Equity/Urban Homesteading projects in the City. Together, they represent important links in an increasingly stable neighborhood. A Federal job-training program administered by the Criminal Justice Coordinating Council (CJCC) will provide construction training stipends for the self-helpers at the building. U-HAB has provided technical assistance in loan packaging and cost estimating. Loan closing is expected by June 15, 1976.

* 235 Roebling Street, Brooklyn
18 dwelling units, average cost per unit: \$13 000
Sponsored by: Los Sures, CJCC Sweat Equity Project. Article VII Municipal Loan for \$217,255 approved October, 1975.
This is the first such Sweat Equity Building for the sponsor in the Williamsburg section of Brooklyn. A Federal job-training program administered by the Criminal Justice Coordinating Council (CJCC) will provide construction training stipends for the self-helpers at the building. U-HAB has provided technical assistance in loan packaging and cost estimating.

* 2185 Pacific Street, Brooklyn
18 dwelling units, average cost per unit: \$12,000
Sponsored by: Ocean Hill-Brownsville Tenants Association, CETA Sweat Equity Project. Article VIII Municipal Loan for \$267,126 passed Municipal Loan Review Committee in October, 1975.
This building will fall under Phase 2 of the Ocean Hill-Brownsville project. Loan closing is expected in June, 1976. The Federally-funded Comprehensive Employment Training Act (CETA) will provide construction training stipends for the self-helpers at the building. U-HAB has provided technical assistance in loan packaging and cost estimating.

* 175 East 102nd Street, Manhattan
9 dwelling units, average cost per unit: \$5,280
Sponsored by: Full Circle Associates. Article VIII Municipal Loan for \$47,500 closed March, 1973. Construction 95% complete; fully occupied. Certificate of occupancy expected to be issued in near future.
The building has been completely renovated despite a complete burn-out in 1971, retaining the original layouts while adding one duplex apartment. Rents are \$75 per apartment! Interim financing provided by the Consumer-Farmer Foundation.

* 177 East 102nd Street, Manhattan
10 dwelling units, average renovation cost per unit: \$5,400
Sponsored by: Full Circle Associates, Sweat Equity Project. Article VIII Municipal Loan for \$54 100 approved in March, 1973.
This building is next door to 175 East 102nd Street, Full Circle's first demonstration building which is nearly complete. Further construction in the building is pending additional organizing and development work. A zoning change has been approved allowing the future owners to develop a community center and restaurant in the building's storefront as a part of their overall plans.

* 535 East 11th Street, Manhattan
16 dwelling units
Sponsored by: Adopt-a-Building, 11th Street Housing Movement Inc., Henry Street Settlement. Loan amount not yet determined, due at Loan Committee in mid-1976.
This building will be reconstructed as part of PHASE 3 of the East 11th Street Housing Movement's block renovation plans. U-HAB is providing technical assistance in loan packaging and cost estimating.

* 404, 405, 413 West 48th Street, Manhattan
60 dwelling units, average cost per unit: \$5,000
Sponsored by: Housing Conservation Coordinators, Article VIII Municipal Loan Sweat Equity Project, Conditional Loan Commitments made October 1974.
These three city-owned buildings, each with 20 apartments, are presently occupied and managed by the tenants under the guidance of the Sponsor, which has been appointed as 7-A Administrator. The tenants have already completed substantial renovations. They are now seeking ownership of the buildings from the City. The loans will cover replacement of the major mechanical systems, including electrical, plumbing, and heating.

* 518 East 11th Street, Manhattan
10 dwelling units

Sponsored by: Adopt-a-Building, East 11th Street Housing Movement Inc., and Henry Street Settlement House. Loan amount not yet determined, due at Loan Committee in mid-1976.

This building will be reconstructed as part of PHASE 3 of the East 11th Street Housing Movement's block renovation plans. U-HAB is providing technical assistance in loan packaging and cost estimating.

* 164 East 103rd Street, Manhattan
10 dwelling units average renovation cost per unit: \$1,400
Sponsored by: Sweat Equity. Article VIII Municipal Loan for \$14,100 approved in March, 1972.
This building was damaged by a fire in April 1975 after renovation was 70% complete. It will be re-evaluated after the insurance settlement.

* 2170 Atlantic Avenue, Brooklyn
35 dwelling units, Average cost per unit: \$9,000
Sponsored by: Oceanhill-Brownsville Tenants Association. Article VIII Municipal Loan for \$315,000 passed Preliminary Review Committee.

AS-IS SALES

* 208-210 Forsyth Street, Manhattan
23 dwelling units, As-Is Sale
Sponsored by: Adopt-a-Building
These two buildings have won legal rights to manage the building from HDA and after negotiations with the Department of Real Estate. They are owned by the City of New York. Through the tenants' efforts in management, the buildings have been maintained as a part of the city's stable housing stock. Many of the apartments have been completely renovated, including new entry doors, new windows, minor layout changes and new wall surfaces. U-HAB in cooperation with Adopt-a-Building has worked with the tenants in negotiating a sales price.

* 212 Forsyth Street, Manhattan
8 dwelling units, average cost per unit: \$10,750
Sponsored by: Adopt-a-Building. Article VIII Municipal Loan for \$86,000 passed Preliminary Review Committee February, 1975.
Like its sister buildings, 208-210, this building is city-owned and managed by its tenants. They have recently put on a new roof, cleaned and rebuilt parapet walls, and installed front entrance doors and mail boxes. They were able to carefully manage their rent roll in order to have the funds for these major undertakings. The tenants are currently pursuing rehabilitation work through the CDI program of HDA.

* 311-317 East 3rd Street, Manhattan
68 dwelling units, self-management, As-Is Sale.
Sponsored by: Adopt-a-Building
This building has been completely occupied for several years. The people are well-organized and have been managing this building successfully under: (1) Tenant-Landlord contract; (2) 7A court order; (3) City In-Rem; and (4) it is the only building to directly receive city contract to manage through the Receivership program. The building has been completely renovated during the process, with new roofing, new entry doors and vestibule doors, and major replumbing and replastering. The tenants are now seeking acquisition of the building through As-Is Sale administered by HDA, Office of Cooperative Conversion and Community Management.

* 108 East 103rd Street, Manhattan
28 dwelling units, 7A Administrator, Sweat Equity Project
Self-sponsored
This building is one of the best examples of dweller control leading to an Urban Homesteading type situation. Over the past two years the tenants, starting with the aid of Adopt-a-Building and a conscientious 7A administrator, have managed and improved the property, renting many of the formerly vacant apartments, installing a new roof through their own labor, and generally saving the building from abandonment. U-HAB is helping with packaging, processing, and gaining title to the building as one of the forerunners of the new As-Is Sales Program.

* 130 West 26th Street, Manhattan
Commercial Loft Building, 7 units; 4 residential tenants.
This is a city-owned commercial property currently occupied by 4 artists in residence. The tenants are beginning negotiations with the City to obtain legal status to the building and conversion to a residential property and tenant cooperative.

* 2071 Fifth Avenue, Manhattan
24 dwelling units
Self-sponsored
A private owner sold this building to the tenants for \$1 and availed himself of a tax-deductible, charitable gift. The tenants now manage and maintain the building from its rent role, and plan to convert it to a fully cooperative building. They have performed needed repairs through self-help and professional subcontracts. The transfer of this building went first through the Consumer-Farmer Foundation in order to receive tax-exempt status before being transferred to the tenants and did not involve City ownership, abandonment, or serious physical deterioration. The Consumer-Farmer Foundation provided seed money, Harris and McGaughey undertook legal work, and U-HAB provided technical and organizational assistance, in addition to first discovering the possibility of this transfer.

Numerous other buildings are nearing a homesteading phase, and will be included on subsequent editions of this list. For additions, correction, or extra copies, contact:

U-HAB
Cathedral House
1047 Amsterdam Avenue
New York N.Y. 10025
(212) 678-6911

NOTES:

* Comprehensive Employment Training Act (CETA)

The Association of Neighborhood Housing Developers Inc., along with three sponsoring neighborhood groups: The Renigades Housing Movement Inc., Adopt-a-Building, and Ocean Hill-Brownsville Tenants Association Inc., have established a program with the Department of Employment of New York City Human Resources Administration involving on-the-job training for 90 disadvantaged and unemployed residents of the three neighborhoods, who would rehab a total of 170 units of housing. These efforts would provide housing for themselves and other families of low income.

The multiple dwellings have been acquired by Article XI, Housing Development Fund Companies organized by the sponsors. Cost of acquisition and rehabilitation will be financed by loans from the City under Article VIII of the Private Housing Finance Law. Compensation paid to the 90 trainees, 18 construction supervisors/teachers, the three area directors, and program administrative personnel will be paid by CETA funds.

Training and experience to be obtained will then qualify trainees for better jobs in building construction and maintenance, and a home.

* Criminal Justice Coordinating Council (CJCC)

Funded by the Law Enforcement Assistance Administration (LEAA), this program envisages 53 trainees in a ten-month job-training and work experience program. One-fourth of the participants have served sentences in a city or state correctional facility, and the balance have had some involvement with the criminal justice system. Trainees are neighborhood residents who, by working in these depressed and deteriorating neighborhoods, will provide 100 renovated apartments in five multiple dwellings. The buildings will be tenant-owned cooperatives. Upon completion of the program, trainees will be eligible for unsubsidized employment in building construction and maintenance. The program is sponsored by the Association of Neighborhood Housing Developers, Inc., BLAST, BRASH, Los Sures, Manhattan Valley Development Corporation and Peoples' Development Corporation.

SAMPLE PRESS REPORTS

10

THE NEW YORK TIMES, THURSDAY, NOVEMBER 1

Episcopalians Plan Slum Rehabilit

Father Fox builds a do-it-yourself revolution in the slum

A Low-Income, Do-It

By LINDSAY MILLER

On the outside, 948 Columbus Av. still looks like a lot of the city's abandoned tenements — tinned-up and cov-

ered with peeling posters of a hundred and campaigns. But inside the building, near the entrance, something is happening that could have a

By JOSEPH P. FRIED
The Episcopal Cathedral

Church of St. John
announced yesterday
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prospective residen
abandoned slum bui
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Under the planne
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Dean Morton
about 20 building
rently being renov

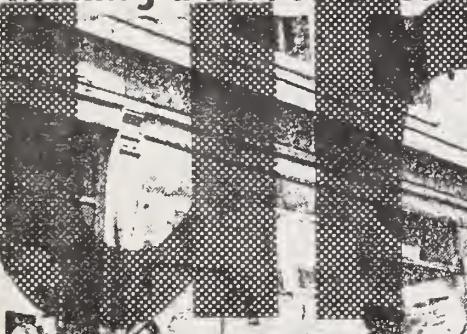
City to get 200 houses — \$1 each

By Stanley Zie

THE UNITED STATES

City officials were not im
mediately available for com

Making a House a Home



New York Post Post Harlan Gang With City Gives Abandoned Building

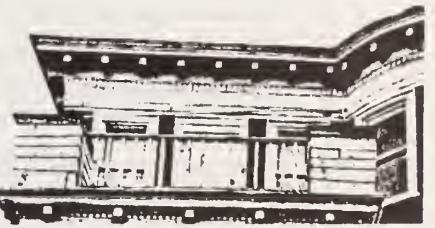
By ROBERT KIRK
The Post Harlan Gang
gave a rundown
from a dozen families
with criminal records a

THE NEW YORK TIMES, SUNDAY, NOVEMBER 1
BY WAYNE KING
Post Harlan Gang With City
Gives Abandoned Building

hoods. Quite clearly, they will throug

Sexiest Political Idea of

It's called urban homesteading with the city selling abandoned houses to lucky Bostonians for only one dollar each. But two questions arise: How high



Letters to the Editor

Urban Homesteading and Renewal for New York City

To the Editor:

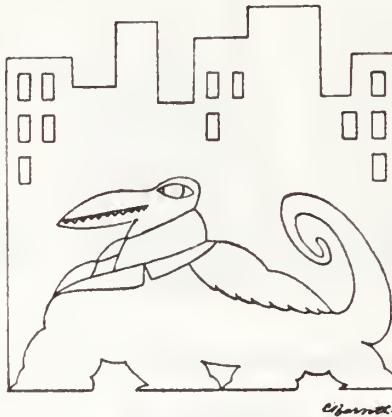
Your May 30 news article on Urban Homesteading in two dozen cities from coast to coast inexplicably fails to mention New York's program, which is the largest in the nation and different in almost every way from those mentioned.

There are presently more than 100 homestead dwellings in New York, with many more scheduled this summer. All are under the city's "Sweat Equity" Program, which provides low-interest mortgages to community residents who buy abandoned buildings from the city and perform their own renovation. The homesteaders then occupy and manage the buildings as co-ops, returning them to the city's decimated stock of decent low-cost housing.

These self-help efforts directly attack both abandonment and unemployment in some of the city's most depressed neighborhoods: East and Central Harlem, Lower East Side, Clinton, Manhattan Valley, South Bronx, Ocean Hill-Brownsville and Williamsburg.

Unlike programs reported in other cities, homesteading in New York does reach low-income people, including street gangs, church parishioners, ex-addicts and offenders, Muslims, welfare families, former squatters, unemployed elderly and numerous Latin nationalities. It is worlds apart from the upper- and middle-income form of "brownstoning," described in Philadelphia and elsewhere. Costs in New York range between \$7,000 and \$13,000 per unit for "gut" rehab. Remaining costs are absorbed by inputs of self-help labor, yielding completely renovated apartments ranging from \$80 to \$180 per month. Crucial is that homesteading requires no subsidy from the city's beleaguered operating budget. All money borrowed by homesteaders is returned at slightly greater interest than the city's own borrowing rate.

The problems in New York are far



more severe than in any of the other cities you describe. With well over 100,000 abandoned dwellings, the city must seek every means possible to reverse this tide. It is increasingly clear that the economics of privately owned multiple dwellings in the city's most depressed areas have broken down, and now only the initiative of the people in the buildings can save these areas.

While no claim is made that Urban Homesteading is a panacea, the time is long overdue that it be recognized as a viable, ongoing and priority aspect of city housing policy; it must not be disparaged by the gross shortcomings and failures of other cities.

IAN DONALD TERNER
New York, June 1, 1975

The writer is an M.I.T. Professor on leave to direct the Urban Homesteading Assistance Board (U-HAB) of the Cathedral Church of St. John the Divine.

An editorial on this subject appears today.

see
following
page

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
 ARTHUR HAYS SULZBERGER, Publisher 1935-1961
 ORVILLE E. DRYFOUS, Publisher 1961-1963

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Urban Homesteading

After a brisk but limited beginning, the urban homesteading program is falling victim to the common American attitude of excessive expectations and instant cynicism. Actually less a program than an ad hoc effort to rehabilitate abandoned housing stock by selling buildings for token sums to those who will restore and live in them, this pioneering experiment is now undergoing all the pains common to bootstrap renewal.

The fact is that urban homesteading, a concept of good sense and humanity, still provides no free lunch. After that initial "dollar" purchase price, the work to be done is neither easy nor cheap. "Sweat equity" has to be matched by funds that are too frequently underestimated. The poor and the underprivileged need special help and guidance to do what the middle class has the training and resources to carry out. And a few restored houses do not turn a neighborhood, or a city, around.

But learning these obvious lessons is no license for declaring a good idea dead or inoperative, as the pessimists are now doing. It is just as obvious that many miles of downtown Brooklyn and extensive sections of the city of New Orleans, for example, have had a residential rebirth by an almost identical process, with the same pains and problems. The point is to make the process work for a broader social and economic range.

What HUD can do now is to provide the coordination and incentive for the necessary public commitment of services and assistance at the city level with private commitment from lending institutions. Success depends on long-term joint efforts. The one thing that is clear in these early stages is that the modest homesteader on his own has all the strikes against him. But well-managed

on a community scale, such as U-Hab

group programs on a community scale, such as U-Hab by New York's Cathedral Church of St. John the Divine, are working. This kind of rehabilitation is not limited to middle-class neighborhood stabilization; it is a way for the less privileged to find homes in strengthened communities.

Urban homesteading is a long, slow, hard route to salvation, but its soundness is indisputable in terms of appalling abandonment figures and deteriorating urban environment. The preservation of existing houses and neighborhoods is the first line of defense in the cities' battles to survive.

Hope for Housing

Homesteading is a nineteenth-century idea whose time, apparently, has come once again. It implies a number of nineteenth-century virtues that the twentieth-century state of mind ... he called the Watergate mentality: old-fashioned personal involvement, and the sticks.

But now the first trend toward disrepair and abandonment of sound apartment buildings in this city lies in strong public support of moves by low- and middle-income tenants to assume responsibility for rehabilitating and running the buildings, and the sticks.

One of the few hopes for reversing the disastrous do-it-yourself trend toward disrepair and abandonment of sound apartment buildings in this city lies in strong public support of moves by low- and middle-income tenants to assume responsibility for rehabilitating and running the buildings, and the sticks.

The few experiments undertaken thus far in organizing tenant cooperatives in slum neighborhoods prove the practicality of this approach. But these experiments also demonstrate that even the most enthusiastic recruits in a small-scale such ventures need expert instruction in managerial techniques as well as basic municipal financial aid.

Nonprofit sponsoring groups, such as Mobilization for Youth on the Lower East Side, have found that the best

way to extend interest in the cooperative idea is to get

one building started. On East Tenth Street, between Avenues C and D, where the first self-help co-op was

organized in 1971, four are now under way—all in

walk-up buildings that date back as far as 1880.

The Cathedral of St. John the Divine under guidance

of Bishop Paul Moore Jr. is sponsoring "sweat equity"

general, minority contractors

far below those on standard

labor. It would be delusive

to ventures into cooperatives

projects half the ten-

complete answer to the

needs. But they do hold

more living, for the people living

in buildings that are now sliding into decay.

The city, burned too often in issuing rehabilitation

and repair loans without adequate investigation, is pro-

ceeding with extreme caution in making loan money

available for the new co-ops. Given the stringency of the

finances, caution is in order; but the presence on

the rehabilitation scene of the tenant-cooperators is

measure of protection against rip-offs by those

to make a quick buck on any city transaction.

danger that prudence is being carried to the

bias, at high cost both in tenant dis-

tribution, and in inflation of rehabilitation bills. As

Starr, the city's housing chief, himself acknowledged:

"We've got to move on this because it's the only wheel in town."

The Housing Wheel

One of the few hopes for reversing the disastrous do-it-yourself trend toward disrepair and abandonment of sound apartment buildings in this city lies in strong public support of moves by low- and middle-income tenants to assume responsibility for rehabilitating and running the buildings, and the sticks.

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East Harlem Gang With City's Aid Gives Abandoned Building New Life

By JOSEPH KAHN

An East Harlem street gang—poor, unducated, from broken families, with criminal records and drug addiction pasts—is rehabilitating an abandoned tenement under a city-sponsored program.

The 20 members of the Renigades, all Puerto Rican or black, ranging from 18 to 35, are converting a six story, 25-apartment structure at 251 E. 119th St. with a \$20,545 loan from Sweat Equity (urban home-steading), supervised by



Low-Income, Do-It-Yourself Co-op

LINDSAY MILLER

at the outside, 948 Columbus Av. still looks like a lot of a hundred old campaigns. But inside the building, near 107th St., something is happening that could have a

Making a House a Home



Under a new program called "sweat equity," low income people can now get money from the city to buy and rehabilitate abandoned tenements like this one at 948 Columbus Av. The only catch is they have to do the rehabilitation work themselves. Story on Page 6. Post Photo by Arthur Pomerantz

major impact on one of the city's toughest problems: the scarcity of low-income housing.

It's called "sweat equity," and it means that low-income people can now get money from the city's revised Municipal Loan Program to buy and rehabilitate abandoned housing.

The catch: they have to do the rehabilitation work themselves.

Last summer Mayor Lindsay announced a similar program in which low-income tenants in city-owned buildings could get a Municipal Loan to renovate and go co-op. But they were supposed to use private contractors, which often made the cost prohibitive.

Find a Building

Now the Housing and Development Agency agreed to give Municipal Loans to low-income people who can find an abandoned city-owned building they are willing to renovate.

That shouldn't be too difficult, because each year hundreds of structurally sound buildings, especially in poor areas, are abandoned by their landlords or seized by the city for non-payment of taxes.

In the "sweat equity" program, future residents do all the work they possibly can. They get advice from the city on plans and building techniques, and everything must pass the city's strict inspection standards. So far the unions haven't complained.

At 948 Columbus Av., the six families involved have decided to rearrange the eight cold-water railroad flats into six more livable apartments, including two duplexes.

According to HDA's Office of Special Improvements,

each apartment will cost an average of \$5000, approximately half what private contractors would charge.

The monthly maintenance and loan repayment charges will be lower than many housing project rents—from \$80 to \$100 for one- to four-bedroom apartments.

The building, once a neighborhood eyesore and junkie hangout, will be restored to families and put back on the tax rolls.

And once the 25-year, \$32,500 city loan is repaid, the people will own their cooperative apartments free and clear.

Charyl Edmonds, who was wearing a red hard hat and a nose mask because she'd spent the morning chipping plaster and ripping board from an old wall, explained that all but one of the 18 people moving into the self-help project were coming from Operation Move-In.

This was the squatters' movement that took over city-owned buildings in the West Side Urban Renewal Area three years ago.

In a pattern that has been repeated throughout the city, the squatters' homes had been destroyed to make way for urban renewal housing which has yet to be built.

What happened to charge things?

"The city finally realized we can't sit on a mighty throne and dictate housing policy," said Robert Schur, deputy commissioner of the Office of Special Improvements.

He also said the idea would never have gotten off the ground without Dean James Morton of the Cathedral of St. John the Divine and two young Urban Fellows, Phil St. George and Rob Freedman, who kept pushing and

pointing to Thomas Foskolas (pointing



Sunday, July 6, 1975

The New York Times

REAL ESTATE

Tenement Co-op to Use Sun to Heat Hot Water

By RITA REIF

The first federally funded solar energy system in an apartment house here—and the first in a tenement anywhere—is to be in operation by late summer.

The system will provide hot water, but not space heating, for the five-story building at 519 East 11th Street. \$43,000 grant to finance the



THE NEW YORK TIMES, SUNDAY, JANUARY 25, 1976

The tenant-workers
at 519 E. 11th St.
reconstruct their
building as part of
"sweat equity" plan.

in government-subsidized cooperatives, there are many housing experts, including Frances Levenson, who insist such cooperative housing for middle- and lower-income families is a necessity.

"Landlord ownership of multi-family rentals is a thing of the past," said Mrs. Levenson, executive director of the Advisory Services for Better Housing, Inc., an agency that is currently surveying, under a Housing and Urban Development grant, the federally insured housing stock in New York City.

Mrs. Levenson said that shrinking profits, rent control, soaring costs for fuel and maintenance of apartment buildings, and the recent attacks on—and Congressional investigation of—real estate tax shelters had reduced the attractions of private ownership of apartment houses here.

"There is nothing magic in cooperatives," she said, "They pose problems too." But what is worth remembering, she added, is that in virtually all studies it has been shown that "cooperatives have been a significant stabilizing factor in New York City neighborhoods."

And the cooperative movement to improve low-income housing, under the leadership of Mr. Nazario and others, is bristling with vitality. Compared to the massive Mitchell-Lama development, of course, these renovation projects involve very small numbers of people, and are scattered throughout the city, the

impact of the restoration work underway seems minimal.

But what these groups—there are about 40—lack in numbers and in dollar support, they make up for in enthusiasm and ambition. The Urban Homesteading Assistance Board, sponsored by the Cathedral of St. John the Divine, pores in summarizing its aims that its housing services focuses on the city's 150,000 abandoned buildings.

"Roger Starr says the program is the only wheel in town," said Ian Donald Terner, U-Hab's director.

But at this moment fewer than 50 buildings—containing about 500 apartments and 1,700 people—have been funded for reconstruction since 1974, when the first of these programs began. And when the fiscal crisis deepened last fall, all funds allocated from the municipal loan program were frozen.

Earlier this month, however, in the first moves by the city to free housing funds frozen in the capital budget, three loan grants were

Mr. Nazario's group, the Interfaith Adopt-a-Building, is quartered in a storefront at 177 East Third Street and is the oldest of these foundation-supported agencies. Since 1970, when it was founded, Adopt-a-Building has responded to calls for help in 1,000 Lower East Side buildings and, at present, has about 30 "adopted" buildings where programs of assistance are proceeding.

The services include helping tenants persuade landlords to make repairs or restore basic services or showing residents how to gut a building and redesign it into cooperative homes under government-assisted programs.

But whatever the program or the scope of the improvements, these urban homesteading efforts involve participants both during reconstruction and in the management of the completed building. The idea is for each person to contribute "sweat equity" in muscle or mental efforts, thus rescuing the helping himself.

Tenement Co-op to Use Sun to Heat Hot Water

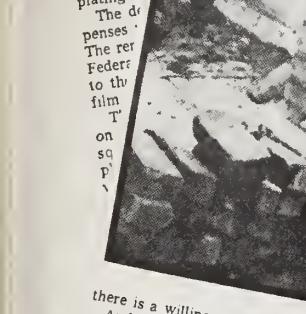
Continued from Page 1
at about \$11,000. If conventionally financed, he said, they would pay for themselves in fuel savings in 6 to 10 years. He added that the solar water heater system, which will also cost about \$11,000, could be amortized in 9 to 30 years.

The major factors governing the amortization period, he said, are the interest rate on the financing and the rate at which fuel costs escalate.

While the extra investment might be expected under normal circumstances to lead to a higher assessment and therefore higher real estate taxes, the Lower East Side group is unlikely to face tax problem. Rehabilitation projects financed by municipal loans are usually a aided tax exemptions or ments. The precise tax has not yet been determined.

The tenement's system will be six dozen other solar installations Mr. Price in New Mexico came to New York.

Mr. Price v
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there is a willingness to pay." And this willingness is being tested continuously, she said, as residents of 61 city-aided cooperatives are notified of increases in the maintenance charges they pay monthly. In these projects, 56 of which are now behind in mortgage payments, recent increases have ranged from 7.5 percent to 27 percent for apartments in which charges now range from \$32 to \$62 per room per month.

Despite the disillusionment some express over the current state of affairs

And because the tenements in question are scattered throughout the city, the

When tenants take over

Can ordinary people save a building
after the landlords quit trying?

Here is the story of one experiment that didn't work
—and one that did

by JIM KAPLAN

There aren't many more discouraging problems in this problem-plagued city than the stubborn housing crisis. The abandonments, the fires, the bad landlords who squeeze the blood out of a building and then walk away, the bad tenants and red tape that drive good landlords out of business—all these are depressingly familiar to every newspaper. Furthermore, each new "solution" (modular construction, prefab rooms dropped in place by cranes) seems to prove unworkable before the ink is dry on the press releases that announce it. One of the latest of these is the idea of tenant ownership and tenant maintenance, but it is a little different from the others: it is being tried, and in some cases it is even working.

As their own landlords, tenants have some advantages over the absentee landlords who own most New York apartment houses. If a boiler isn't working, a freezing tenant has more of a stake in getting it fixed than a landlord in Scarsdale. Tenants are more likely to know people who can fix it cheaper and faster than the major contractors their landlords tend to use. Since they have no profit motive, tenants can improve their buildings without suffering huge raises in rent as a by-product. Given control over their homes, the argument goes, tenants will treat them with greater respect and understanding. Tenant ownership seeks to maintain existing housing instead of letting it die.

Of course, as critics are quick to note, tenant ownership is not without its problems. Operating marginal or sub-standard buildings requires sophistication, organization and money—and tenants often are unsophisticated, unorganized and poor.

The two case histories that follow demonstrate both failure and success in tenant ownership.

The South Bronx has been called the worst ghetto in America. Today much of it is a wasteland in which gangs fight, wild dogs roam, fires rage and abandoned buildings stand mute. When we first visited a South Bronx apartment house, 282-4 Cypress Ave., late in 1974, the building seemed unique simply because it had people living in it. Others nearby were abandoned, burned out or, in a few cases, under construction. There were vacant lots filled with seas of garbage and during the day unemployed men stood on street corners, talking, drinking, smoking or doing nothing. At night, life seemed to congregate around the storefronts, where families sat and listened to the incongruous blend of Latin music and police sirens. For the tenants of 282-4—Latinos and a few blacks—the vital core of their six-story, 50-unit apartment house was an attached unheated grocery store and a "social club" which was a room with a jukebox and pool table.

The building once was a reasonably nice place to live in. A competent amateur repairman named Hyman Rosen was resident landlord, and tenants said he satisfied their needs. According to Rosen's lawyer, Benjamin Isaacs, Rosen was able to make a profit by keeping his apartments occupied and doing maintenance himself. But early in 1974, Rosen was ill and anxious to emigrate to Israel. The prospect of repairing 12 units recently damaged by fire no doubt fueled his anxiety. "Someone made a purchase agreement with him," Isaacs explained. "The guy said he wanted to make a title search before completing the purchase. He collected rent for a few months and absconded. Even his lawyer couldn't find him. I think the guy made between \$10,000 and \$15,000. He paid no taxes, insurance or mortgage, so it was all pure velvet. I tell you, I've heard those things but I had no personal experience. Now I've seen it."

After the man absconded,



Tenant Karen Bermann



Architect Travis Price

Rosen, still stuck with ownership, left the building under temporary caretakers and departed for Israel. When the place started slipping into the red, he returned. Looking to complete the sale, he found that people were no longer interested in ghetto real estate but he finally located a buyer days before his return to Israel. Having paid off \$48,000 of a \$90,000 mortgage, he sold the building and land for \$3,500. It happens all the time in the South Bronx.

The new owners went by the Kafkaesque name of 519 Holdings Corp. At first their agent, Harry Fuller, appeared personally at the building to collect rent and promise repairs. Months went by without improvements, according to the tenants, and many of them began to leave. "Some of the tenants weren't paying their rents," says Fuller, who is alleged to have purchased numerous decaying buildings, collected profits and income tax benefits for as long as their tenants paid rent and then abandoned them. Fuller declined to furnish to us proof of his identity or to meet face-to-face.

The building at 282-4 Cypress was starting to pay the price of neglect: broken windows, cold winds whistling through landings, vacant apartments that looked as if bombs had been set off in them. On Nov. 20, 1974 the remaining tenants met with representatives of the Department of Community Development

(DCD) and voted 14-9 to conduct a rent strike. Their rents, ranging from \$85 to \$185 a month, were to be paid to a tenant association, placed in a bank and used only for heating oil and emergency repairs. Selected to a tenant committee were Howard, a 59-year-old Panamanian who works at a nearby dry cleaners; Bessie, 58, a black widow who works in another cleaning establishment; and Carmen, 23, who, like many of the residents, was a Puerto Rican welfare mother (the names of the tenants have been changed). Howard was authorized to collect rents and supervise repairs.

Technically, rent strikes are illegal, but when a landlord abandons a building the case is rarely brought to court. When it is, judges tend to be lenient if the tenants have a strong case. There seemed to be hope on Cypress Ave.

It was tragically short-lived. During the following six months, the movement collapsed and the remaining tenants made plans to leave the building. The problem was basic: few tenants were willing to contribute their rent money to the strike fund. At several meetings, DCD workers were unable to convince the residents to work together. Eventually an impressive outsider, one of two tenant representatives to New York City's housing court, attempted to get himself appointed as de facto landlord which is permitted when unsafe conditions have existed in a building for five days or more. But



519 E. 11th St.: From sweat equity a new lease on life.

by then morale was so low that no one even provided him with the necessary forms.

Probining the psyche of these disheartened tenants was a frustrating process for one of a different background. Most were quiet people who maintained their apartments well. But publicly they seemed distrustful of outsiders and privately, they accused each other. Their movement eventually disintegrated into warring cliques: worker vs. welfare recipient, black vs. Latin, young vs. old. Howard, one of the few working men in the building, would have been a natural leader of the group, but he was timid and unassertive. Bessie, a Bronx resident 34 years, was an enduring, stoic woman who rode the bus two hours a day to work and back. She, however, spoke no Spanish and had little tolerance for welfare people. Carmen, a forceful, fiercely articulate woman, had perhaps the most organizational potential but she grew strangely suspicious of her co-organizers. Refusing to contribute her rent, she all but

guaranteed noncooperation from the other Latins.

One tenant, a small, frail woman named Maria, was particularly heart-rending. At 50, she had been living in the United States for three decades. Her estranged husband and three children had returned to Puerto Rico so she lived alone, on welfare payments, suffering from a neck ailment that required constant medication and sleep with a heating pad. In the privacy of her small apartment she could be endearing, but at one meeting she adamantly held center stage, complaining in Spanish and broken English that her shower and toilet weren't working. She was oblivious to the argument that the emergency needs of the building had priority over her concerns. Huddled in a heavy coat and hat, her face barely visible, she rambled on. It was as if all the alien forces in her life had thrust her deep within her clothes; speaking harshly and incessantly from within was her only means of response.

The case of 282-4 Cypress Ave. does not speak well for tenant landlords, but there were extenuating



Project director Michael Freedberg



Tenant Santiago Gonzales

factors. Low rents and high vacancies made the movement a dubious proposition from the start. The tenants needed young, strong workers to do repairs; they weren't available. They could have used considerable outside money and it wasn't forthcoming. The debilitating effects of welfare may have taken their toll. Accustomed to years of outside control, the Cypress Ave. tenants couldn't seem to cope when left mostly to their own devices.

"Unfortunately, the people of Cypress Ave. were probably reluctant to give outsiders their money," says a housing organizer. "To succeed, you need a local organizer who will make a commitment over a long period of time. Tenant meetings rarely produce on-the-spot results—tenants have to go back to their apartments, think things over and maybe return to ask personal questions they might not have wanted to bring up at a meeting. The organizer has to be available all the time. An outsider can deal with political and economic matters, but not personal ones, like Maria's."

"There has to be a coherent system of organization in the neighborhood, too. One building can rarely do it alone. East Harlem was able to build 6,000 more units of new housing than any other community planning district in the city during the 1960s because it was deliberately divided into six or seven neighborhoods and organized accordingly. If you live in Harlem, chances are you

think of yourself as a resident of East, West or Central Harlem. If you live in the South Bronx, you don't have that feeling. There's a local fabric, but the magnitude of the problems makes organization very difficult. The process takes a long time. Most of the buildings I've worked with have needed two or three years before they could consider co-ownership. The people on Cypress Ave. didn't have that time. It was 23 families against a decaying world."

The ceremony in Mayor Lindsay's office was promoted with great fanfare. In what he hoped would be a lasting testimony to his administration's faith in decentralization, Lindsay presided over the transfer of four abandoned buildings from the city to tenant groups. For the first time officially, tenants were being given the opportunity to prove themselves better landlords than the landlords.

Since that day late in 1973, three of the four pilot projects have experienced frustration. The fourth has become a phoenix—literally.

The building, 519 E. 11th St. on the lower East Side, has been rebuilt from a shell by its future residents. It will be occupied in the spring. If the occupants prove to be able managers, they will have won a lasting victory for the tenant movement.

The building is one of some 85,000 tenements thrown up around the turn of the century to accommo-

continued

February, 1976



Even in crowded Manhattan, the sun can be put to use. Architect Travis Price (top photo above) is on the roof of a Lower East Side tenement where he is assisting its low-income owner-residents in rehabilitation work. Solar collectors made by Sunworks, Inc., of Guilford, Connecticut, will supply most of the hot water for the building. The collectors have transparent plastic covers to protect against vandalism. About \$10,000 of the rehabilitation project's price tag of \$200,000 is for insulation to cut the cost of space heating, which for now will be conventional. If solar space heating is added later, the building's owners will have followed an important rule: "Insulate, then isolate"—i.e., make the building tight before recruiting the sun.

When tenants take over

continued from page 17

date the largest rush of immigration in American history. It is five stories of basic brick, with an eyesore of a fire escape in front, but on closer scrutiny, it has architectural merit. Around the windows are ornate carvings, perhaps crafted by some dedicated, 30-cents-a-day Italian immigrant.

The building's early inhabitants were probably Italians and Jews. More recently, blacks and Puerto Ricans, alleging inadequate services by their absentee owners, have lived there in squalor. "I couldn't believe the conditions," says Roberto (Rabbit) Nazario, 28-year-old president of the Association of Neighborhood Housing Developers, who helped organize the tenants several years ago and is now moving into 519. "Junkies were using the roof as a shooting gallery. The walls had leprosy."

Nazario is a board member of Interfaith Adopt-a-Building, Inc., a church-supported, nonprofit organization that assists tenants in dealing with absentee landlords, conducting rent strikes and taking over abandoned buildings. At that time Adopt-a-Building was organizing some two dozen local structures that were owned by a landlord named Irving Dankner. In the spring of 1972, 519 E. 11th St. was ravaged by an estimated 13 fires in three weeks. The tenants fled. Other fires sprang up elsewhere in the neighborhood.

A year passed and a new group — young, organized and determined — formed around 519. The Lindsay administration's Department of Real Estate, casting about for abandoned buildings to give tenants, found it a promising locale — and an ideal political situation. As a means of circumventing the bureaucracy and passing on responsibility to others, the Lindsay administration relinquished title to the building even before the loan for it was closed.

But it took the better part of a year before the future tenants could reach agreement with the Housing and Development Administration (HDA) over the terms of the loan. Stung by the municipal loan scandals, HDA was insisting on, among other things, the right to repossess, a stipulation that incensed the tenants. Anxious to proceed, they obtained a loan of several thousand dollars worth of start-up money from Chemical Bank of New York and began construction themselves.

The tenants finally yielded on some points to HDA and the loan was closed in October 1974. "Unless you're prepared to deal with the bureaucracy on its own terms, you can't proceed," says Michael Freedberg, 26, a Yale-educated veteran of community organizing in New Haven and New York who has served as project leader.

But there were still money problems. The loan was to be given to the tenants "as needed," to cover immediate costs. But it took six to eight weeks to process allocation requests and the tenants began to face pressure from their creditors. The private sector did not exactly open its arms. "Businessmen were skeptical that people without experience or money could do a complete rehab job," Freedberg says. "We had to hammer home that we had a real stake in the project." Thanks in part to Adopt-a-Building, tenants received two 30-day loans from Chemical and a long-term loan from the Consumer

Farmers Foundation.

More recently, the problem has been cost overruns, a result of inflation, financing delays and unexpected reconstruction problems. "We hope to get money from private foundations," says Karen Bermann, a 20-year-old native of East New York who will occupy one of the building's single apartments. "What we expect to do is move in and take care of the last, non-essential steps when we can."

That construction has continued in the face of such adversity is due largely to people like Karen Bermann. She originally heard of the project from friends, moved to the lower East Side and pitched in.

Tenants themselves are rebuilding 519; by contributing their "sweat equity" an estimated \$189,000 is being saved. The amount of the city loan, from the Municipal Loan Program (now frozen by Mayor Beame), is \$177,494 and it will be paid back over a 30-year period at 7% interest by the tenants, formed as a cooperative. Meanwhile they contribute their "sweat" — 32 hours a week. Some of the 10 tenant families contribute extra free time as security guards.

Another unusual feature of 519 is solar heat: it will be the first residential building in the city to use it. The tenants are busy installing 30 plastic-covered, copper flat plate collectors occupying 600 feet on the roof and they will heat and circulate hot water down the pipes to a heat exchanger and storage tank in the basement. The collectors could enable the building to heat itself without the use of a boiler for up to six months a year.

Some of the tenants had knowledge of plumbing or masonry, but most were unskilled residents

of the neighborhood. "We hired a construction supervisor to teach people basic trades," says Freedberg, "and got licensed subcontractors to come in twice a week. We found that it isn't unreasonable to train people while the work is going on."

Because his people were among the first to undergo sweat equity, though, there were other problems. "I see a lot of mistakes and I'm trying to correct them," says George Peshkin, the chief inspector for the Office of Housing Rehabilitation, who has taken the unusual step of personally assisting in the project. "Structurally, we will see to it that the building is very sound. I'm willing to bend over backwards if small things aren't perfect." By "small things," he emphasized, he meant only minor finishing work.

When complete, 519 will house two storefronts and 11 apartments: four one-bedrooms, five two-bedrooms and two three-bedrooms. Rents of about \$40 a room will handle operation costs and maintenance, which the tenants themselves will take care of.

It will not only be a comfortable building but a more attractive one, thanks to a park now under construction in an adjacent lot. The park is being built by the Neighborhood Youth Corps and paid for almost entirely by the American Friends Service Committee. There will be a basketball court, trees, shrubs, benches and 15 feet of public space

in the front. The entrance to the building will be from the park.

The results have been especially gratifying to such tenants as Michael Freedberg. In college he worked with the Student Community Housing Corporation, which attempted to get Yale to adopt a more humanistic attitude toward the housing needs of nearby New Haven residents. Freedberg helped renovate some buildings and lived in one. After graduation he became involved in the food co-op movement. In time, working out of a lower East Side food co-op warehouse, he fused his efforts with the local tenant movement.

"We're basically talking about people's control," he says. "We're working to develop self-sufficiency, independent of control from government, landlords or the private sector. I think property and land should be used to provide proper living conditions. Because we have no profit motive, some people have freaked out about sweat equity. All we're really working toward is a sense of community control."

Talking with people like Freedberg and Travis Price, the chief architect, it is easy to believe that they are working on a special project financed by outsiders and built by and for well-educated people from white, middle-class backgrounds. That is incorrect. Many of the residents will be blacks and Puerto Ricans who have spent most of their lives in the neighborhood. One such is Santiago Gonzales, who emigrated from Puerto Rico in 1946.

U-Hab Luncheon

By JORGE HERNANDEZ

As a step to gain support for its activities, the Urban Homestead Assistance Board (U-HAB), a non-profit organization which helps low income New Yorkers with their housing problems, held a luncheon last week with Mrs. Robert F. Kennedy as special guest.

The luncheon, which was held at the Bankers Trust Building, was to urge banks, corporations and foundations to make a commitment for this worthwhile cause.

U-HAB, sponsored by the Cathedral Church of St. John the Divine, is a housing service which assists low-income New Yorkers with the self-help rehabilitation of abandoned buildings. Its goal is to enable these people, who agree to own, occupy, renovate and manage presently abandoned buildings, to turn them into decent low-cost housing. The purpose of U-HAB is not to provide handouts, but offers technical assistance and seed money to people who are willing to restore these buildings for their own living purposes.

Mrs. Kennedy, who came to the luncheon to offer her support, spoke of the great things the group was doing and how her late

Ethel & The Renegades



Eugilio Cedeno of the Renegades speaks with Ethel Kennedy and Bishop Moore about the Renegade's homesteading program, their current project in East Harlem.

husband and her brother-in-law would have supported them. Her appearance at the luncheon was very encouraging to the members of this organization.

"Mrs. Kennedy came here to see in what way she can support us," said Eugilio Cedeno, a U-HAB staff member, "It's good to know that there are people like her who care. It just strengthens my belief in her late husband."

Besides Mrs. Kennedy, other prominent members of the

business and religious world were present at the luncheon. The guests were informed what the people in the streets have been doing in the five years since the program got underway.

One of the most successful achievements in the program has been the reformation of the Renegades, an East Harlem Street gang of poor, Puerto Rican youths all with previous criminal backgrounds.

NOVEMBER 29, 1974 — OUR TOWN

Equity Is Sweat but the Reward Is Sweet

By LAWRIE MIFFLIN

"This block used to be called Stripper's Row, because as many as 20 cars would get stripped down here on any given night," said Robert Nazario yesterday as he surveyed the row of abandoned buildings on E. 11th St., one of which will some day be his home.

Today many of the hands that were once busy stripping cars are even more busy stripping buildings — and learning how to rebuild them.

Nazario, 23, called "Rabbit" in the neighborhood, is a leader of Adopt-a-Building, a community organization engaged in purchasing and rehabilitating abandoned buildings on the lower East Side. With the help of a city loan through the Housing and Development Adminis-

tration's Co-op Conversion Program, residents are reclaiming low-income housing and making it permanently their own.

The work they're doing is called the "sweat equity" program, because the prospective tenants' own labor is used, rather than a contracting firm.

Yesterday Nazario and others like him took Manhattan Borough President Sutton on a tour of three of the seven city buildings being rehabilitated through sweat at present. Funds for the program were cut from the draft capital budget, and Sutton is lobbying to have them replaced.

The cost is roughly \$12,800 per unit, as opposed to \$22,000 per unit for new low-income housing construction by professional contractors, housing officials said.

Sweat equity loans have been made

to community groups ranging from church organizations to former squatters to a reformed street gang called the Renegades of Harlem.

In fact the Renegades have produced one of the most impressive success stories of the two-year-old program. They have nearly completed rehabilitation of a six-story, 23-unit building at 251 E. 119th St., on the corner of Second Ave.

"Instead of destroying the neighborhood or watching it come down all around us," said Harry Ramos, 23, of Renegade, "we're learning construction skills and building ourselves our own homes."

They have operated so efficiently, according to Philip St. George, who helped initiate the sweat equity program at HDA, that they will probably not need about \$80,000 of their original \$360,000 loan and will return the money to the city.

INTERACTION



Volume IV, Number 1

WASHINGTON, D.C.

OCTOBER 1975

Can Urban Homesteading Save Neighborhoods?

New York City, sanctuary of the superlative, claims yet another — the nation's largest and most unique urban homesteading program.

Urban homesteading, a concept coaxed from the American West of the 19th century to the American city of the 20th, has not always weathered the journey and time change too well. Urban homesteading basically offers abandoned housing for sale at a minimal price. The houses are usually structurally sound, but they do require repairs, often costing thousands of dollars, to bring them up to building code levels.

Several American cities have homesteading programs. However, New York's Urban Homesteading Assistance Board (U-Hab), because of its accomplishments to date, and because it is the one program that flies in the face of statements by some disenchanted municipal housing experts and planners that "homesteading was never meant for the poor," may well be the most unique.

In a letter to the editor of the *New York Times* on June 9, 1975, Ian Donald Terner, an M.I.T. professor on leave to direct U-Hab, took exception to those who would either oversell homesteading, or sell it short. "While no claim is made that urban homesteading is a panacea," wrote Terner, "the time is long overdue that it be recognized as a viable, ongoing and priority aspect of city housing policy; it must not be disparaged by the

gross shortcomings and failures of other cities."

According to the U-Hab program outline, provided by Terner in his letter to the *Times*, more than 100 dwellings in New York were at that time (June 9) homestead dwellings, with many more scheduled for completion this summer. All are under the city's Sweat Equity Program which provides low-interest loans to community residents who buy

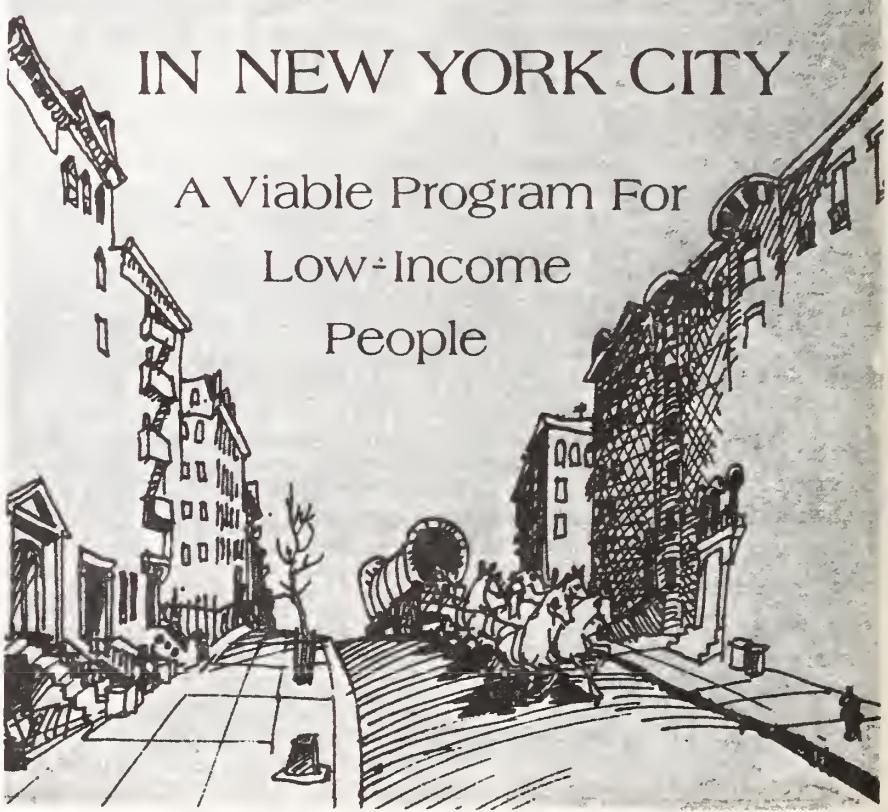
abandoned buildings from the city and perform their own renovation. The homesteaders then occupy and manage the buildings as co-ops, returning them to the city's decimated stock of decent, low-cost housing.

The major difference between New York's program and those elsewhere, according to Terner, is that "homesteading in New York does reach low-income people, including street gangs, church parishioners, ex-addicts and offenders, Muslims, welfare families, unemployed elderly, and numerous Latin nationalities.

"It is worlds apart," says Terner, "from the upper- and mid-

URBAN HOMESTEADING IN NEW YORK CITY

A Viable Program For
Low-Income
People



Homesteading

Cont. from page 1



Cleaning up the "back yard" of a six-family dwelling — La Casa del Sol — are several members of a work crew composed of the building's future residents.

idle-income form of 'brownstoning' described in Philadelphia and elsewhere."

Self-help housing efforts are also underway in East and Central Harlem, the Lower East Side, Clinton, Manhattan Valley, South Bronx, Ocean Hill-Brownsville, and Williamsburg.

U-Hab's role in the New York City homesteading scheme is to offer technical assistance and seed money to people who agree to own, occupy, renovate and manage presently abandoned buildings. Its success to date may well stem from a realistic approach to and uncommon candor about homesteading, evidenced by its own program description: "The people in the program are the city's most desperate, struggling to maintain lives, jobs, and families in the worst buildings and neighborhoods in the city. Program participants are rarely enthusiastic about renovating a building — they are driven to it, and the year of hard, often discouraging work, by an absolute lack of alternative. There is nowhere else to go; no one else who will help but they themselves."

U-Hab estimates that New York City has 100,000 abandoned dwellings in over 7,000 buildings, and that the number is growing at the rate of 1,000 buildings a year. Terner sees the total breakdown of the economics of privately owned multiple dwellings in the city's most depressed areas as one reason for the abandonment. "Now," he says, "only the initiative of the people in the buildings can save these areas."

Collaborating with city agencies and local neighborhood housing groups in building on New York's Sweat Equity Program, U-Hab offers homesteaders access to trained construction supervisors, architects, cost estimators, lawyers, accountants, tradesmen, expeditors, purchasers, and others it sees as making the difference between "an inexperienced but willing group of amateurs," and "an effective self-help construction and management team."

Under its Sweat Equity Program, the city reloans to homesteaders money it borrows through its tax-free Municipal

Do-It-Yourself Fix-Ups

The Home Center Institute, a service activity of the National Retail Hardware Association, has produced a series of "how-to" booklets covering a wide range of home improvements and repairs. Although the Show-How series is intended as a sales building device for hardware stores, they promote no specific products, tools or equipment.

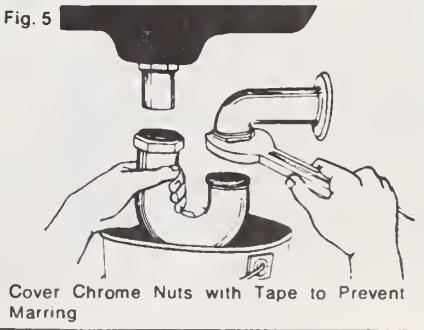
Each pamphlet uses clear step-by-step directions along with numerous easy to understand drawings to give instructions on a particular "do-it-yourself" project. Additionally, each pamphlet lists tools and

- 1) How To Lay A Tile Floor
- 2) How To Apply Panels To Masonry Walls
- 3) How To Apply Panels To Stud Walls
- 4) How To Unstop Clogged Drains, Toilets & Sewers
- 5) How To Replace Sink, Bath And Shower Faucets
- 6) How To Repair Leaking Or Noisy Faucets And Valves
- 7) How To Replace Ballcocks And Flush Valves Or Repair Leaky Toilet
- 8) How To Replace Or Install Electric Switches
- 9) How To Do Outdoor Lighting
- 10) How To Add New Electrical Wiring
- 11) How To Install Doorbells Buzzers Or Chimes
- 12) How To Apply Asphalt Shingles
- 13) How To Lay Concrete Blocks
- 14) How To Work With Concrete
- 15) How To Install Ceiling Tile
- 16) How To Install A Suspended Ceiling
- 17) How To Correct Common Paint Problems
- 18) Tips And Ideas That Make Painting Easier
- 19) How To Install Gypsum Boards
- 20) How To Lay Ceramic Tile
- 21) How To Convert Your Attic To Usable Space
- 22) How To Build A New Storage Area
- 23) How To Frame And Hang A Door
- 24) Insulating Tips That Save You Money
- 25) How To Put Up Gutters And Downspouts
- 26) How To Lay Brick Fences And Walls
- 27) How To Have A More Attractive Lawn
- 28) How To Repair And Patch Concrete
- 29) How To Strengthen And Support Joints In Wood

materials needed for a given project.

The Home Center Institute has agreed to make available to ACTION volunteers single copies of one or several of the Show-How series listed below. Volunteers should contact James J. Conner, Director, Home Center Institute, National Retail Hardware Association, 964 N. Pennsylvania St., Indianapolis, Ind. 46204. Please identify yourself as an ACTION volunteer, and give the name of the program (VISTA, Peace Corps, RSVP, etc.) with which you serve.

Fig. 5



New York Post

FOUNDED BY ALEXANDER HAMILTON IN 1801

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Co-op Housing and Hope in Tenements

Many people will recall hearing stories of a pleasant custom of the American past known as a "barn raising," in which a farmer's neighbors joined him and his family on the kind of construction job that needed many hands working together. The tradition is not ended; it continues right here, on what might be called a "slum razing."

As this newspaper reported yesterday, the construction site is on Columbus Av. near W. 107th St., where a group of the future neighbors are working with each other on complete interior restoration of an abandoned tenement. There are six families, plans for six new apartments and countless hopes involved.

The project, a dedicated exercise in

"self-help," is being assisted in several ways by the city through the new Municipal Loan Program. The money to buy and restore the structure has been loaned and expert counsel is being furnished on the rebuilding; hence, the savings on contractors' costs may be appreciable.

There is no reason why this growing trend in residential redevelopment cannot be extended into many other neighborhoods; the people who own 948 Columbus Av. will have new practical advice to offer when they finish. At the moment, they are cooperating on their new cooperative apartment building. The idea has been tried successfully before; it warrants wider imitation.

'Sweat' Tour for Sutton

By JOSEPH KAHN

The program is called "Sweat Equity" and the reason for the name is that neighborhood people save money by using their sweat to rehabilitate vacant, abandoned buildings.

Borough President Percy Sutton today is taking the press on a tour of three tenements in the city-operated program now in various stages of construction. They

are at 519 E. 11th St., 948 Columbus Av. and 215 E. 119th St.

At 11th St., the five-story old law tenement is being rebuilt as a cooperative by 30 young and old area residents who were taught basic skills.

The project is sponsored by Adopt-a-Building, a non-profit group and technical aid is contributed by the Urban Homesteading Assistance Board (U-HAB), supported by St. John the Divine Cathedral.

\$177,000 Loan

The building, which was ready for demolition and was bought from the city for \$1800, will be rehabilitated with \$177,000 from the municipal loan program.

When completed there will

be 13 apartments ranging from studios to three bedrooms with a monthly maintenance cost of \$125 to \$195 a month.

The borough president said new housing built with a municipal loan by private contractors would cost \$22,000 a unit, while a "sweat" apartment with local labor only cost \$12,179 an apartment.

Sutton noted that last year the city had provided \$11.5 million for the cooperative conversion program, but this year there were no additional funds.

Seeks Restoration

"Although the city faces a severe budget crisis," he said, "the impact of the co-op conversion and sweat equity programs is so important to the preservation of structur-

ally sound buildings in this city that I seek support from the mayor and my colleagues on the Board of Estimate and in the City Council to restore this line to the 1975-76 capital budget."

According to Don Turner, director of U-HAB, Roger Starr, administrator of the Housing Development Administration, which supervises the sweat program, has pledged \$2.5 million from the municipal loan program for the continuance of the neighborhood rehabilitation work.

N.Y. Post
Jan. 8, 1975

FEBRUARY 22, 1976

Brownsville Is Building With Hope

By POLLY KLINE

With crowbars and chisels, saws and hammers and an eagerness not always noticeable among construction crews—a group of young men began rebuilding three dilapidated Brownsville apartment buildings last week.

The fact that the rehabilitation project had started represented a triumph for the community, according to the project's sponsor, the Ocean Hill-Brownsville Tenants Association.

Months of plowing through official red tape—"We were all ready to go last May," said Ronnie Gray—preceded the closing of the contract for the project on Feb. 9 in the offices of the city Housing and Development Administration.

Gray, the assistant coordinator of the tenants' association, which has been fighting bureaucracy at all levels for years to get decent housing in Brownsville, said that even now, after the closing, "there are so many strings and attachments, we still have to keep running back and forth to HDA."

Community Is Elated

It may be an uneasy partnership with government, but the griping could not hide the general elation among the community residents, workers, trainees and volunteers as the walls began tumbling down in the buildings at 2149, 2151 and 2153 Pacific St.

An aspect of the plan is reminiscent of frontier days, when people built their own houses. Those trainees who are married and bringing up families



Ronnie Gray is the assistant coordinator of tenants' group which is fighting to upgrade housing in Brownsville.



News photo by Anthony Pescatore
Working on rehabilitation of Pacific St. house Maxime Fiton, Carlos Negron and Gregg McCarden (l. to r.) cut wood to size.

will constitute half of the 24 tenants. The novices, most of them school dropouts who have never held a meaningful job, will get the chance to catch up on schooling and learn the building skills in a one-year period.

Another unusual element in the rehab plan involves this same group. Wages, starting at \$2.85 an hour and going to \$3.50 after six months, are paid by the U.S. Labor Department's Employment and Training Administration, through a \$150,000 grant under the Comprehensive Employment and Training Act (CETA). The Brownsville group credits city Manpower Commissioner Lucille Rose for pushing through the CETA grant.

Without the federal boost, an HDA official indicated, the other key factor—a \$241,000 mortgage from the city Housing Administration—would not have been "justified."

The CETA fund pays, as well, for a construction supervisor on the rehabilitation site and four of six building trades' trainers. But money for a few additional licensed workers, including an electrician and a plumber, comes from the HDA loan, which also covers expenditures for materials.

The subsidized labor costs, according to Gray, will make it possible for future tenant-cooperators' monthly carrying charges to be as low as \$33 a room, or about \$140 to \$150 for four rooms. A \$300 down payment will be waived for trainee-workers who agree to work three hours a week extra without pay to make up their "sweat equity" in the co-op.

The agencies interwoven in the intricate plan included also:

- The nonprofit OHB Housing Development Fund Corp., which provided an interest-free \$6,000 loan for "seed" money.
- A commercial bank, which put up a \$16,000 start-up loan (not interest-free).
- The Association of Neighborhood Housing Developers, which received the CETA grant in behalf of the project sponsors.

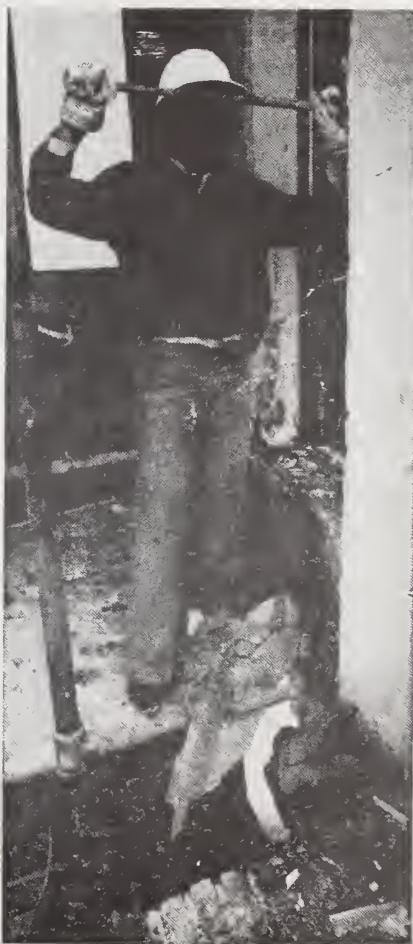
Last September, the tenants, trainees and supporters of the Pacific St. rehab plan almost gave up hope, when it appeared Mayor Beame was freezing all construction projects.

Hard Work Pays Off

Hundreds of them did fall by the wayside, but a month ago, Deputy HDA Commissioner Alexander Garvin succeeded in getting the Brownsville rehab package over the last hurdle—the mayor's finance committee. Garvin, who is in charge of rehabilitation and neighborhood preservation, noted, he had "tried very, very hard."

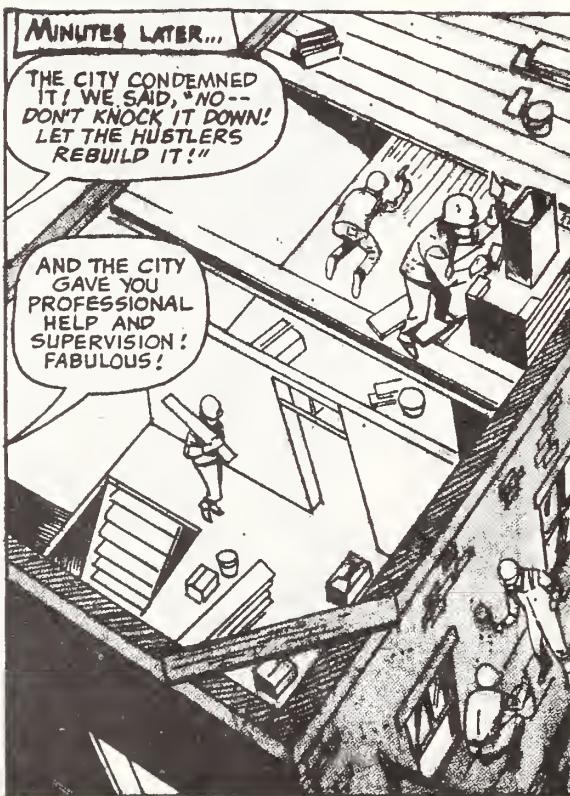
The project was, in effect, the swan song of the city's ill-fated Municipal Loan Program. The mortgage loan it received, and a second HDA loan of \$344,000 to another group for an unrelated rehab project on Manhattan's lower East Side, represented the last funds remaining to the old program, Garvin said.

The municipal loan concept, hailed in the late 1960s as a way to restore decaying slum housing, fell prey to unscrupulous developers and to the alleged "indifference" of city officials administering it. It was said to have cost the city over \$100 million.



Mark Gray rips out old window frame in one of the Pacific St. houses.

...Sweat Equity was even featured in Supergirl Comic Books...



U-HAB
The Urban Homesteading Assistance Board
Cathedral House
1047 Amsterdam Avenue
New York, N. Y. 10025
(212) 678-6911

CAN HOMESTEADING SAVE YOUR NEIGHBORHOOD?



PHOTO BY JOHN NEELY

Take an abandoned building. Sell it for \$1.

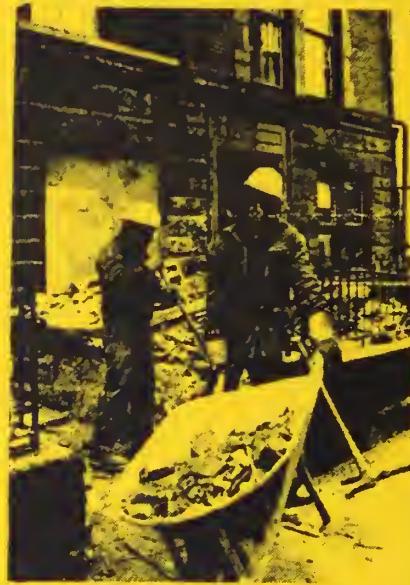


PHOTO BY ALLEN URKOWITZ

Add the labor of the people who bought the building.



PHOTO BY RON WERR

The result may just be decent housing at rents people can afford.

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